

SANTA ROSA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS

FINANCIAL STATEMENTS

SEPTEMBER 30, 2000

**SANTA ROSA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2000

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**SANTA ROSA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2000

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INDEPENDENT AUDITOR'S REPORT

Honorable Board of County Commissioners
Honorable Mary M. Johnson, Clerk and Accountant to the
Board of County Commissioners
Santa Rosa County, Florida

We have audited the accompanying special purpose financial statements, as listed in the table of contents, of the Board of County Commissioners of Santa Rosa County, Florida (hereinafter referred to as "Board"), as of and for the year ended September 30, 2000. These special purpose financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these special purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The valuations for general fixed assets were not properly documented. The Board has not established records showing the actual or estimated historical cost of these assets. It was not feasible to apply alternative auditing procedures to determine the fairness of values reported.

The accompanying financial statements were prepared for the purpose of complying with state reporting requirements as described in Note A and are intended to present the financial position and results of operations of only that portion of the financial reporting entity of Santa Rosa County, Florida that is attributable to the transactions of the Board of County Commissioners of Santa Rosa County, Florida.

In our opinion, except for the effects of adjustments, if any, that might have been disclosed had the valuations for general fixed assets been documented as described in the third paragraph of this report, the special purpose financial statements referred to above, present fairly, in all material respects, the financial position of the Board of County Commissioners of Santa Rosa County, Florida, as of September 30, 2000, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2001 on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the special purpose financial statements taken as a whole. The combining financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the special purpose financial statements of the Board. Such information has been subjected to the auditing procedures applied in the audit of the special purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the special purpose financial statements taken as a whole.

O'Sullivan Nicks Patton, LLP

January 8, 2001

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS**

September 30, 2000

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum only)
ASSETS AND OTHER DEBITS	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Debt	
Cash and cash equivalents	\$ 184,687	\$ 2,620,630	\$ 28,776	\$ 131,982	\$ 703,862	\$ 119,314	\$ 317,915	\$ --	\$ --	\$ 4,107,166
Investments	6,242,152	20,571,288	126,621	6,840,519	5,776,281	1,989,804	--	--	--	41,546,665
Restricted assets										
Investments	--	--	--	--	1,570,745	--	--	--	--	1,570,745
Receivables, net of uncollectibles										
Accounts	192,271	310,092	--	--	220,733	16,007	20,489	--	--	759,592
Interest	--	--	--	--	33,200	--	--	--	--	33,200
Leases - current	--	--	--	--	829	--	--	--	--	829
Notes - long term	--	--	--	--	1,559,142	--	--	--	--	1,559,142
Leases - long-term	--	--	--	--	62,561	--	--	--	--	62,561
Due from other governments	2,050,933	3,541,342	--	456,443	287,396	7,207	--	--	--	6,343,321
Due from other funds	1,397,815	101,309	--	156,443	--	--	--	--	--	1,655,567
Inventory	32,963	371,868	--	--	--	--	--	--	--	404,831
Deferred charges	--	--	--	--	167,781	--	--	--	--	167,781
Fixed assets, net of accumulated depreciation	--	--	--	--	10,147,785	35,805	--	77,585,726	--	87,769,316
Amount to be provided for compensated absences	--	--	--	--	--	--	--	--	2,269,117	2,269,117
Amount to be provided for retirement of general long-term obligation	--	--	--	--	--	--	--	--	7,814,731	7,814,731
Amount available in debt service fund	--	--	--	--	--	--	--	--	145,923	145,923
Total assets	\$ 10,100,821	\$ 27,516,529	\$ 155,397	\$ 7,585,387	\$ 20,530,315	\$ 2,168,137	\$ 338,404	\$ 77,585,726	\$ 10,229,771	\$ 156,210,487

Continued...

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida
Board of County Commissioners

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS - CONTINUED**

September 30, 2000

	Governmental Fund Types				Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum only)
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Agency	General Fixed Assets	General Long-Term Debt	
LIABILITIES AND OTHER CREDITS										
Accounts payable	\$ 428,910	\$ 562,380	\$ 9,474	\$ 216,804	\$ 187,724	\$ 54,797	\$ 317,558	\$ --	\$ --	\$ 1,777,647
Claims payable	--	--	--	--	--	2,104,365	--	--	--	2,104,365
Accrued compensation	291,087	144,963	--	--	32,174	4,508	--	--	--	472,732
Payable from restricted assets										
Revenue bonds - current	--	--	--	--	635,000	--	--	--	--	635,000
Accrued interest	--	--	--	--	50,319	--	--	--	--	50,319
Deposits	139,591	--	--	--	29,889	--	--	--	--	169,480
Current portion of landfill closure cost	--	--	--	--	182,075	--	--	--	--	182,075
Deferred revenue	--	--	--	--	62,561	--	--	--	--	62,561
Due to other funds	11,853	1,466,425	--	156,443	--	--	20,846	--	--	1,655,567
Due to other governments	7,301	--	--	--	4	--	--	--	--	7,305
Compensated absences	--	--	--	--	264,613	843	--	--	2,269,117	2,534,573
Notes payable	--	--	--	--	--	--	--	--	3,767,614	3,767,614
Special assessment notes	--	--	--	--	--	--	--	--	805,540	805,540
Landfill closure costs	--	--	--	--	6,573,564	--	--	--	--	6,573,564
Revenue bonds payable	--	--	--	--	4,641,121	--	--	--	3,387,500	8,028,621
Total liabilities	878,742	2,173,768	9,474	373,247	12,659,044	2,164,513	338,404	--	10,229,771	28,826,963
FUND EQUITY										
Contributed capital	--	--	--	--	9,478,096	125,665	--	--	--	9,603,761
Investment in general fixed assets	--	--	--	--	--	--	--	77,585,726	--	77,585,726
Retained earnings (accumulated deficit)										
Reserved	--	--	--	--	31,615	--	--	--	--	31,615
Unreserved	--	--	--	--	(1,638,440)	(122,041)	--	--	--	(1,760,481)
Fund balances										
Reserved	667,375	6,231,665	145,923	2,186,190	--	--	--	--	--	9,231,153
Unreserved - designated	2,237,009	2,152,634	--	2,340,551	--	--	--	--	--	6,730,194
Unreserved - undesignated	6,317,695	16,958,462	--	2,685,399	--	--	--	--	--	25,961,556
Total retained earnings(accumulated deficit)/ fund balances	9,222,079	25,342,761	145,923	7,212,140	(1,606,825)	(122,041)	--	--	--	40,194,037
Total fund equity (deficit)	9,222,079	25,342,761	145,923	7,212,140	7,871,271	3,624	--	77,585,726	--	127,383,524
Total liabilities and fund equity	\$ 10,100,821	\$ 27,516,529	\$ 155,397	\$ 7,585,387	\$ 20,530,315	\$ 2,168,137	\$ 338,404	\$ 77,585,726	\$ 10,229,771	\$ 156,210,487

The accompanying notes are an integral part of these financial statements.

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES**

Year ended September 30, 2000

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum only)
Revenues					
Taxes	\$ 8,721,244	\$ 24,007,064	\$ --	\$ --	\$ 32,728,308
Licenses and permits	1,418,463	--	--	--	1,418,463
Intergovernmental	8,079,607	5,373,862	--	456,443	13,909,912
Charges for services	667,018	2,994,723	--	--	3,661,741
Fines and forfeits	181,987	1,659,146	--	--	1,841,133
Miscellaneous	846,119	3,102,604	38,838	491,877	4,479,438
Total revenues	19,914,438	37,137,399	38,838	948,320	58,038,995
Expenditures					
Current					
General government	9,819,648	2,387,552	--	--	12,207,200
Public safety	3,476,343	21,056,600	--	--	24,532,943
Physical environment	769,168	113,468	--	--	882,636
Transportation	--	10,314,645	--	--	10,314,645
Economic environment	116,484	1,224,870	--	--	1,341,354
Human services	3,083,803	18,604	--	--	3,102,407
Culture and recreation	1,140,474	451,557	--	--	1,592,031
Capital outlay	--	14,942	--	3,228,350	3,243,292
Debt service	--	4,301	1,351,978	--	1,356,279
Total expenditures	18,405,920	35,586,539	1,351,978	3,228,350	58,572,787
Excess (deficiency) of revenues over expenditures	1,508,518	1,550,860	(1,313,140)	(2,280,030)	(533,792)
Other financing sources (uses)					
Operating transfers in	377,002	1,662,803	1,301,430	1,250,426	4,591,661
Operating transfers out	(2,072,131)	(2,293,382)	--	(249,098)	(4,614,611)
Special assessment note proceeds	--	164,000	--	--	164,000
Total other financing sources (uses)	(1,695,129)	(466,579)	1,301,430	1,001,328	141,050
Excess (deficiency) of revenues and other sources over expenditures and other uses	(186,611)	1,084,281	(11,710)	(1,278,702)	(392,742)
Fund balances, beginning of year	9,406,213	24,136,313	157,633	8,490,842	42,191,001
Change in reserve for inventory	2,477	122,167	--	--	124,644
Fund balances, end of year	\$ 9,222,079	\$ 25,342,761	\$ 145,923	\$ 7,212,140	\$ 41,922,903

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida
Board of County Commissioners

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES**

Year ended September 30, 2000

	General Fund			Special Revenue Funds			Debt Service Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Taxes	\$ 8,382,720	\$ 8,721,244	\$ 338,524	\$ 22,979,804	\$ 24,007,064	\$ 1,027,260	\$ --	\$ --	\$ --
Licenses and permits	1,320,500	1,418,463	97,963	--	--	--	--	--	--
Intergovernmental	7,401,453	8,079,607	678,154	5,216,065	5,373,862	157,797	--	--	--
Charges for services	193,100	667,018	473,918	2,007,724	2,994,723	986,999	--	--	--
Fines and forfeits	190,000	181,987	(8,013)	1,312,710	1,659,146	346,436	--	--	--
Miscellaneous	363,060	846,119	483,059	2,512,244	3,102,604	590,360	38,838	38,838	--
Total revenues	17,850,833	19,914,438	2,063,605	34,028,547	37,137,399	3,108,852	38,838	38,838	--
Expenditures									
Current									
General government	10,549,783	9,819,648	730,135	2,205,450	2,387,552	(182,102)	--	--	--
Public safety	3,753,596	3,476,343	277,253	21,340,867	21,056,600	284,267	--	--	--
Physical environment	658,038	769,168	(111,130)	115,680	113,468	2,212	--	--	--
Transportation	--	--	--	11,491,739	10,314,645	1,177,094	--	--	--
Economic environment	118,515	116,484	2,031	1,268,426	1,224,870	43,556	--	--	--
Human services	3,021,271	3,083,803	(62,532)	36,500	18,604	17,896	--	--	--
Culture and recreation	1,249,220	1,140,474	108,746	594,537	451,557	142,980	--	--	--
Capital outlay	--	--	--	14,943	14,942	1	--	--	--
Debt service	--	--	--	4,302	4,301	1	1,351,978	1,351,978	--
Total expenditures	19,350,423	18,405,920	944,503	37,072,444	35,586,539	1,485,905	1,351,978	1,351,978	--
Excess (deficiency) of revenues over expenditures	(1,499,590)	1,508,518	3,008,108	(3,043,897)	1,550,860	4,594,757	(1,313,140)	(1,313,140)	--
Other financing sources (uses)									
Operating transfers in	388,669	377,002	(11,667)	1,618,923	1,662,803	43,880	1,301,430	1,301,430	--
Operating transfers out	(2,072,131)	(2,072,131)	--	(2,261,169)	(2,293,382)	(32,213)	--	--	--
Special assessment note proceeds	--	--	--	164,000	164,000	--	--	--	--
Total other financing sources (uses)	(1,683,462)	(1,695,129)	(11,667)	(478,246)	(466,579)	11,667	1,301,430	1,301,430	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(3,183,052)	(186,611)	2,996,441	(3,522,143)	1,084,281	4,606,424	(11,710)	(11,710)	--
Fund balances, beginning of year	4,313,561	9,406,213	5,092,652	12,941,322	24,136,313	11,194,991	11,710	157,633	145,923
Change in reserve for inventory	--	2,477	2,477	--	122,167	122,167	--	--	--
Fund balances, end of year	\$ 1,130,509	\$ 9,222,079	\$ 8,091,570	\$ 9,419,179	\$ 25,342,761	\$ 15,923,582	\$ --	\$ 145,923	\$ 145,923

Continued...

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida
Board of County Commissioners

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
ALL GOVERNMENTAL FUND TYPES**

Year ended September 30, 2000

	Capital Projects Fund			Totals (Memorandum Only)		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$ --	\$ --	\$ --	31,362,524	\$ 32,728,308	\$ 1,365,784
Licenses and permits	--	--	--	1,320,500	1,418,463	97,963
Intergovernmental	560,000	456,443	103,557	13,177,518	13,909,912	939,508
Charges for services	--	--	--	2,200,824	3,661,741	1,460,917
Fines and forfeits	--	--	--	1,502,710	1,841,133	338,423
Miscellaneous	12,000	491,877	(479,877)	2,926,142	4,479,438	593,542
Total revenues	572,000	948,320	(376,320)	52,490,218	58,038,995	4,796,137
Expenditures						
Current						
General government	--	--	--	12,755,233	12,207,200	548,033
Public safety	--	--	--	25,094,463	24,532,943	561,520
Physical environment	--	--	--	773,718	882,636	(108,918)
Transportation	--	--	--	11,491,739	10,314,645	1,177,094
Economic environment	--	--	--	1,386,941	1,341,354	45,587
Human services	--	--	--	3,057,771	3,102,407	(44,636)
Culture and recreation	--	--	--	1,843,757	1,592,031	251,726
Capital outlay	4,153,797	3,228,350	925,447	4,168,740	3,243,292	925,448
Debt service	--	--	--	1,356,280	1,356,279	1
Total expenditures	4,153,797	3,228,350	925,447	61,928,642	58,572,787	3,355,855
Excess (deficiency) of revenues over expenditures	(3,581,797)	(2,280,030)	1,301,767	(9,438,424)	(533,792)	8,904,632
Other financing sources (uses)						
Operating transfers in	1,250,426	1,250,426	--	4,559,448	4,591,661	32,213
Operating transfers out	(249,098)	(249,098)	--	(4,582,398)	(4,614,611)	(32,213)
Note proceeds	--	--	--	164,000	164,000	--
Total other financing sources (uses)	1,001,328	1,001,328	--	305,050	305,050	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,580,469)	(1,278,702)	1,301,767	(9,297,374)	(392,742)	8,904,632
Fund balances, beginning of year	8,357,534	8,490,842	(133,308)	25,624,127	42,191,001	16,300,258
Change in reserve for inventory	--	--	--	--	124,644	124,644
Fund balances, end of year	\$ 5,777,065	\$ 7,212,140	\$ 1,168,459	\$ 16,326,753	\$ 41,922,903	\$ 25,329,534

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida
Board of County Commissioners

**COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPES**

Year ended September 30, 2000

	Enterprise Funds	Internal Service Funds
Operating revenues		
Licenses and permits	\$ 1,210	\$ --
Charges for services	2,809,988	180,068
Leases	1,097,706	--
Premiums received	--	1,221,185
Insurance proceeds	--	46,602
Miscellaneous	190,854	--
Total operating revenues	4,099,758	1,447,855
Operating expenses		
Personal services	913,631	25,301
Contract services	404,761	21,257
Supplies	42,949	2,797
Repairs and maintenance	501,472	21,020
Utilities	168,412	--
Depreciation	807,690	10,743
Travel and per diem	9,496	--
Insurance	15,000	252,825
Communications	21,537	279,941
Advertising	238	--
Fuel and oil	83,210	--
Rentals	291	--
Landfill closure and maintenance	291,024	--
Claims	--	846,852
State assessment	--	66,058
Miscellaneous	4,715	7,034
Total operating expenses	3,264,426	1,533,828
Operating income (loss)	835,332	(85,973)
Non-operating revenues (expenses)		
Sale of land	613,000	--
Interest income	577,179	116,267
Interest expense	(318,702)	--
State grants	349,512	--
Aid to private organizations	(30,000)	--
Amortization & other bond costs	(35,706)	--
Total non-operating revenues (expenses)	1,155,283	116,267
Income (loss) before operating transfers	1,990,615	30,294
Operating transfers in (out)	--	22,950
Net income (loss)	1,990,615	53,244
Retained earnings (accumulated deficit), beginning of year	(3,597,440)	(175,285)
Retained earnings (accumulated deficit), end of year	\$ (1,606,825)	\$ (122,041)

The accompanying notes are an integral part of these financial statements.

Santa Rosa County, Florida
Board of County Commissioners

COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES

Year ended September 30, 2000

	Enterprise	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 835,332	\$ (85,973)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	807,690	10,743
Gain on disposal of assets	(17,036)	--
Change in assets and liabilities		
(Increase) decrease in:		
Accounts receivable	6,063	6,502
Leases receivable	13,366	--
Due from other governments	--	(7,207)
(Decrease) increase in:		
Accounts payable	121,062	3,045
Accrued compensation	5,872	3,148
Annual and sick leave	(25,430)	(74)
Landfill closure costs payable	291,024	--
Claims payable	--	(333,106)
Deferred revenue	465	--
Deposits	3,189	--
Due to other governments	(764)	--
Net cash provided (used) by operating activities	2,040,833	(402,922)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating transfers in	--	22,950
State grants	62,116	--
Aid to private organizations	(30,000)	--
(Increase) decrease in due from other funds	(81)	188,382
Increase (decrease) in due to other funds	(9,722)	(30,000)
Net cash provided by noncapital financing activities	22,313	181,332
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition & construction of capital assets	(1,028,004)	--
Proceeds from sale of land	22,950	--
Proceeds from note receivable	32,391	--
Interest paid	(323,616)	--
Payments on bonds and leases	(627,500)	--
Net cash used by capital and related financing activities	(1,923,779)	--
CASH FLOWS FROM INVESTING ACTIVITIES		
Net sale (purchase) of investments - State Investment Pool	(662,420)	213,223
Interest income	577,180	116,267
Net cash provided (used) by investing activities	(85,240)	329,490
NET INCREASE (DECREASE) IN CASH	54,127	107,900
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	649,735	11,414
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 703,862</u>	<u>\$ 119,314</u>

The accompanying notes are an integral part of these financial statements.

**SANTA ROSA COUNTY, FLORIDA
BOARD OF COUNTY COMMISSIONERS**

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2000

GUIDE TO NOTES

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**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the significant accounting policies applied consistently in the preparation of the financial statements follows:

1. Reporting Entity

The Governmental Accounting Standards Board (GASB) in its Statement No. 14, "The Financial Reporting Entity", established standards for defining the financial reporting entity. In developing these standards, the GASB assumed that all governmental organizations are responsible to elected officials at the federal, state, or local level. Financial reporting by a state or local government should report the elected officials' accountability for those organizations. As concluded by the GASB, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Board of County Commissioners of Santa Rosa County is the principal legislative and governing body of the County, as provided by the Florida Constitution, Article 8, Section 1(e), and Chapter 125, Florida Statutes. The Board consists of five Commissioners elected by the voters of the County for terms of four years each.

The Board of County Commissioners is considered part of Santa Rosa County, Florida's primary government for purposes of GASB No. 14. These special purpose financial statements of the Board of County Commissioners are issued separately to comply with Section 10.557(3), Rules of the Auditor General for Local Governmental Entity Audits, pursuant to Section 11.45(3)(a)11, Florida Statutes and do not include the Property Appraiser, Tax Collector, Clerk of the Circuit Court, Sheriff, Supervisor of Elections (collectively known as County officers), or other independent authorities and boards. The Board's financial statements do not purport to reflect the financial position or the results of operations of Santa Rosa County taken as a whole.

Dependent Special Districts

Blackwater Soil & Water Conservation District - The activities of the Blackwater Soil & Water Conservation District are included in these financial statements as a department of the Board of County Commissioners within the General Fund.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- (Continued)

Pace Property Finance Authority - The Pace Property Finance Authority (Authority) was created in 1990 by County Resolution No. 90-12 pursuant to Chapter 617 of the Florida Statutes. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, based on the criteria of GASB Statement No. 14 outlined above, the Authority is a component unit of Santa Rosa County. However, the Authority meets the criteria for inclusion in more than one reporting entity - Pace Water System as well as Santa Rosa County. GASB Statement No. 14 indicates that in these cases, judgment must be exercised by management of the reporting entities as to which reporting entity the organization should be included. The Authority has the same elected governing body as the Pace Water System. Additionally, both the Authority and Pace Water System own portions of a single water/sewer system; thus, their fixed assets are part of an interconnected system. Finally, the Authority's debt was issued solely to finance the Pace water/sewer system improvements. Based on these facts, management has decided to include the Authority in the combined financial statements of Pace Water System rather than as a component unit of Santa Rosa County.

Santa Rosa County Health Facilities Authority - The Santa Rosa County Health Facilities Authority (Authority) was created in 1982 by County Ordinance No. 82-02 pursuant to Section 154, Florida Statutes. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, based on the criteria of GASB Statement No. 14 outlined above, the Authority is a component unit of Santa Rosa County. The Board of County Commissioners (Board) appoints the five (5) members of the Authority. Additionally, the Board may abolish the Authority at any time by ordinance or resolution as long as all bonded indebtedness incurred by the Authority has been paid. The Authority exists solely to assist health facilities within Santa Rosa County with the acquisition, construction, financing, and refinancing of projects. The Authority issued approximately \$15.8 million in bonds in 1983, lending the proceeds of the bonds to Gulf Breeze Hospital. These bonds were subsequently defeased in 1988 when the Authority issued approximately \$17.3 million in new bonds. The 1988 bonds were defeased in 1993 when the Authority issued approximately \$18.6 million in new bonds. The debt outstanding is a limited obligation of the Authority and not a general obligation of the Authority or Santa Rosa County. The Authority is not obligated to pay the principal and interest on the bonds except from the revenues of the Authority pursuant to its loan agreement with Gulf Breeze Hospital. The Authority has no financial activity and the bonds issued under the Authority's name are recorded in the books of the hospital.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- (Continued)

Santa Rosa County Housing Finance Authority - The Santa Rosa County Housing Finance Authority (Authority) was created in 1984 by County Resolution No. 84-18 pursuant to Chapter 78-89, Laws of Florida codified as Chapter 159, Part IV, Section 159.601 through 159.623. In accordance with Florida Statutes Section 189.403, the Authority qualifies as a dependent special district. Additionally, based on the criteria of GASB Statement No. 14 outlined above, the Authority is a component unit of Santa Rosa County. The Santa Rosa County Board of County Commissioners, through various Resolutions and interlocal agreements with the Escambia County Housing Finance Authority (ECHFA), has authorized ECHFA to allow qualified residents of Santa Rosa County to apply for and obtain preferential mortgages from proceeds generated by bonds issued by ECHFA. Accordingly, there is no financial activity related to the Santa Rosa County Housing Finance Authority to be reflected in these financial statements.

2. Fund Accounting

The accounts of the Board of County Commissioners are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The funds and account groups used by the Board of County Commissioners are as follows:

Governmental Funds

These funds utilize a modified accrual basis of accounting. The measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources rather than upon net income determination). The governmental funds utilized are:

General Fund is used to account for all financial resources not required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Fund accounts for the accumulation of resources for, and the payment of, principal, interest and related costs of general long-term debt.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- (Continued)

Capital Projects Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Funds

The two types of proprietary funds are enterprise funds and internal service funds.

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal Service Funds are used to account for the financing of goods and services provided by one department to other departments or agencies of the Board or to other governmental units on a cost-reimbursement basis.

Fiduciary Funds

The two types of fiduciary funds are trust and agency funds.

Trust and Agency Funds are used to account for assets held by the Board in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

Account groups are used to establish accountability for the Board's general fixed assets and long-term debt. These self-balancing account groups are not funds and do not reflect available financial resources and related liabilities.

General Fixed Assets Account Group - accounts for all fixed assets of the Board, except those accounted for in the proprietary funds.

General Long-Term Debt Account Group - accounts for all long-term obligations of the Board, except those accounted for in the proprietary funds.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- (Continued)

3. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in net total assets. Pursuant to the election option made available by GASB Statement No. 20, pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied in the preparation of the financial statements of the proprietary fund types.

4. Basis of Accounting

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term obligations are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

The revenues susceptible to accrual are charges for services, licenses, interest revenue, and excess fees of constitutional officers. Sales taxes and other taxes collected and held by an intermediary at year-end on behalf of the Board are also recognized as revenue.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- (Continued)

4. Basis of Accounting (Continued)

The Board reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Board before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In the subsequent period when both revenue recognition criteria are met, or when the Board has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

5. Budgets and Budgetary Accounting

Florida Statutes Chapters 129 and 200 govern the preparation, adoption, and administration of the County's annual budget. The budget must be balanced, i.e., the estimated revenues plus beginning fund balance brought forward must equal appropriations and be prepared on a basis consistent with generally accepted accounting principles (GAAP) as applicable to governmental units. The Board may, at any time within a fiscal year, amend a budget for that year as follows:

Appropriations for expenditures in any fund may be decreased and other appropriations in the same fund correspondingly increased by motion recorded in the minutes, provided that the total of the appropriations of the fund not be changed. The Board may establish procedures by which the budget officer may authorize certain interdepartmental budget amendments, provided that the total appropriation of the department is not changed. All annual appropriations lapse at fiscal year end.

6. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the governmental funds. Appropriations lapse at the end of the year and any outstanding encumbrances are canceled and reissued in the subsequent year.

7. Cash and Cash Equivalents

For purposes of the statements of cash flows, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be cash equivalents.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- (Continued)

8. Investments

Investments in bank certificates of deposit, U.S. Treasury bills, government backed securities and the Florida Local Government Investment Trust Fund are recorded at fair value. Investments in the Local Government Surplus Funds Trust Fund are recorded at the Board's equity position in the fund's share price.

9. Inventory

Inventory consists of gas, oil, automotive parts, road signs, culverts, and various other items used by the road department and insecticides used by mosquito control operations. Inventory is valued at cost (first in, first out). The cost is recorded as an expenditure at the time the inventory is purchased.

Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

10. Accounting for Fixed Assets

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. No depreciation is provided for general fixed assets.

Depreciation of all exhaustible fixed assets used by the proprietary funds is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	20 - 50 years
Water Distribution	20 years
Improvements	10 - 20 years
Equipment	3 - 10 years

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. Infrastructure (roads, bridges, curbs, etc.) is not recorded because such items are of value only to the Board.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- (Continued)

10. Accounting for Fixed Assets (Continued)

The Board does not capitalize interest expense on borrowings used to finance construction of general fixed assets or fixed assets of proprietary fund types, as the capitalizable interest, after netting of interest earnings, is normally insignificant.

11. Compensated Absences

In governmental fund types, the Board accrues the current portion of the liability for accumulated unpaid sick leave, annual leave or compensatory time that will be paid within the next fiscal year in the appropriate governmental funds. Amounts due in subsequent years are included in the General Long-Term Debt account group. Proprietary fund types accrue benefits in the period they are earned.

12. Property Taxes

Real and personal property valuations are determined each year as of January 1 by the Property Appraiser's office. Florida Statutes require that all property be assessed at 100 percent of just value.

All property taxes become due and payable on November 1, and are delinquent on April 1 of the following year. Discounts of 4, 3, 2 and 1 percent are allowed for early payment in November through February, respectively. The Tax Collector advertises as required by statute and sells tax certificates for unpaid taxes on real property. Certificates not sold are considered "County Held Certificates." Persons owning land upon which a tax certificate has been sold may redeem the land by paying the face amount of the tax certificate, plus interest and other costs.

13. Landfill Closure Costs

Under the terms of current state and federal regulations, the Board is required to place a final cover on closed landfill areas, and to perform certain monitoring and maintenance functions for a period of up to thirty years after closure. The Board recognizes these costs of closure and post-closure maintenance over the active life of each landfill area, based on landfill capacity used during the period.

14. Allowance for Uncollectible Amounts

Historically, differences between receivables and amounts collected have been insignificant. Accordingly, no provision has been made for uncollectible amounts.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE A - SUMMARY OF ACCOUNTING POLICIES -- (Continued)

15. Total Columns on Combined Statements

Total columns are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles.

16. New Accounting Pronouncement

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*. This statement is effective for the County for the year ending September 30, 2003. Statement No. 34 will affect the presentation of the County's annual financial report. The Statement also requires the County to utilize the economic resources measurement focus as well as the accrual basis of accounting. The County has not yet determined the effects Statement No. 34 will have on its financial statements.

NOTE B - CASH AND INVESTMENTS

At September 30, 2000, the bank held deposits of \$712,706 consisting of amounts held in checking, savings, money market or time deposit accounts. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral pursuant to the Public Depository Security Act of the State of Florida.

The Board's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Pursuant to Florida Statutes Section 218.415, the Board adopted an investment policy which outlines the Board's investment responsibilities, objectives, and policies. The Board's investment policy authorizes the Board to invest in the following:

- a. The Local Government Surplus Funds Trust Fund (SBA) (State Pool);
- b. Florida Local Government Investment Trust (FLGIIT) (State Investment Trust);
- c. Qualified money market mutual funds;
- d. U.S. Treasury bills, notes and bonds;
- e. Obligations guaranteed by the U.S. Government as to principal and interest such as obligations of the Government National Mortgage Association (GNMA);

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE B - CASH AND INVESTMENTS -- (Continued)

- f. Non-callable Government Agency securities:
 - (i) Federal Farm Credit Bank (FFCB),
 - (ii) Federal Home Loan Mortgage Corporation (FHLMC),
 - (iii) Federal Home Loan Bank (FHLB),
 - (iv) Federal National Mortgage Association (FNMA).

This classification of government agency securities does not include any mortgage debt of any government agency;

- g. Time deposits and savings accounts in banks or savings and loan associations doing business in Florida;
- h. Tax-exempt obligations of the State of Florida and its various local governments;
- i. Repurchase agreements for investments authorized in categories d, e, or f above.

At year end, the overnight repurchase agreement (classified as a cash equivalent) in the amount of \$4,213,000 was 102% collateralized by U.S. Treasury securities, and approximated market value.

Investments at September 30, 2000 are required to be categorized in accordance with GASB Statement No. 3 to indicate the level of credit risk assumed by the Board. The County had no investments at year end that should be categorized. Investments in the Local Government Surplus Funds Trust and the Florida Local Government Investment Trust Fund are not categorized since the investments are not evidenced by securities that exist in physical or book entry form.

The Local Government Surplus Funds Trust Fund is similar to a mutual fund in that funds are available on a same day basis. As of September 30, 2000, the Local Government Surplus Funds Trust Fund had total investments of approximately \$9.75 billion. The portfolio's average maturity was 20 days. The County allocates interest earned on investments held in the Local Government Surplus Trust Fund based on individual funds' principal balances. The Local Government Surplus Trust Fund is a "2a-7" like pool and is subject to regulatory oversight as specified in Chapter 19-7 of the Florida Administrative Code.

The Florida Local Government Investment Trust Fund is similar to a mutual fund in that funds are available on a same day basis. As of September 30, 2000, the Florida Local Government Investment Trust Fund had total investments of approximately \$250.1 million. The portfolio's average maturity was 2.38 years. The County allocates interest earned on investments held in the Local Government Surplus Trust Funds Fund based on individual funds' principal balances.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE B - CASH AND INVESTMENTS -- (Continued)

Schedule of Cash and Investments at September 30, 2000

	<u>Carrying Amount</u>
<u>Non-Categorized Investments</u>	
Florida Local Government Investment Trust Fund	\$ 9,701,540
Local Government Surplus Funds Trust Fund	<u>33,415,870</u>
Total Investments	43,117,410
 <u>Cash</u>	
Cash in Bank	4,106,042
Petty Cash	<u>1,124</u>
Total Cash	<u>4,107,166</u>
Total Cash and Investments	<u>\$47,224,576</u>
 <u>Combined Balance Sheet Detail</u>	
Cash and Cash Equivalents	\$ 4,107,166
Investments	41,546,665
Restricted Assets	
Investments	<u>1,507,745</u>
Total Cash and Investments	<u>\$47,224,576</u>

Restricted cash and investments consist of funds set aside for the payment of debt and funds set aside to ensure assets producing the pledged revenues are repaired and replaced as needed. These assets are restricted since their use is limited by the applicable bond indentures. Other restricted assets consist of funds restricted to the payment of future landfill closure costs.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE B - CASH AND INVESTMENTS -- (Continued)

Restricted cash and investments by category and by fund are as follows:

	<u>Enterprise Funds</u>		
	<u>Navarre Beach Fund</u>	<u>Landfill Fund</u>	<u>Total Enterprise</u>
Sinking fund	\$ 98,311	\$ 57,841	\$ 156,152
Bond reserve account	305,000	--	305,000
Debt service	200,017	--	200,017
Landfill escrow	--	877,925	877,925
Renewal and replacement	<u>31,651</u>	<u>--</u>	<u>31,651</u>
	<u>\$ 634,979</u>	<u>\$ 935,766</u>	<u>\$ 1,507,745</u>

NOTE C - NONCASH INVESTING, FINANCING AND CAPITAL ACTIVITIES

There were no noncash investing, financing and capital activities during the year ended September 30, 2000.

NOTE D - DUE FROM OTHER GOVERNMENTAL UNITS

At September 30, 2000, amounts due from other governmental units were as follows:

Excess fees - Elected officials	\$ 1,523,632
State of Florida - Taxes	1,215,936
State of Florida - Grants	3,356,803
City of Pensacola	101,881
Fines and Forfeits	124,208
Worker's Compensation	7,208
Other	<u>13,653</u>
Total	<u>\$ 6,343,321</u>

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE E - FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Land	\$ 6,378,150	\$ 656,655	\$ --	\$ 7,034,805
Buildings	43,781,964	7,224,672	--	51,006,636
Improvements other than buildings	3,220,941	1,663,339	--	4,884,280
Furniture, fixtures and equipment	11,914,060	2,745,945	--	14,660,005
Construction in progress	<u>5,896,556</u>	<u>--</u>	<u>5,896,556</u>	<u>--</u>
Total	<u>\$71,191,671</u>	<u>\$12,290,611</u>	<u>\$ 5,896,556</u>	<u>\$77,585,726</u>

At September 30, 2000, proprietary fund type property, plant, equipment, and other amortizable long-term assets consisted of the following:

	<u>Enterprise Funds</u>	<u>Internal Service Fund</u>
Land	\$ 1,450,888	\$ --
Buildings	1,345,858	--
Improvements other than buildings	13,049,694	--
Furniture, fixtures and equipment	2,618,405	374,786
Construction in progress	<u>76,160</u>	<u>--</u>
	18,541,005	374,786
Less accumulated depreciation	<u>(8,393,220)</u>	<u>(338,981)</u>
Total	<u>\$ 10,147,785</u>	<u>\$ 35,805</u>
Depreciation expense	<u>\$ 807,690</u>	<u>\$ 10,743</u>

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE F- LONG-TERM DEBT

1. Changes in Long-Term Debt

The following is a summary of changes in long-term debt for the year.

	Balance October 1, 1999	Additions	Reductions	Balance September 30, 2000
General long-term debt				
Compensated absences	\$ 2,322,102	\$ --	\$ 52,985	\$ 2,269,117
Revenue bonds	3,510,000	--	122,500	3,387,500
Notes payable	4,351,712	--	584,098	3,767,614
Special assessment notes	798,788	164,000	157,248	805,540
Proprietary debt				
Compensated absences	290,960	--	25,504	265,456
Landfill closure costs	6,464,615	291,024	--	6,755,639
Revenue bonds	5,928,750	--	627,500	5,301,250
Total	<u>\$ 23,666,927</u>	<u>\$ 455,024</u>	<u>\$ 1,569,835</u>	<u>\$ 22,552,116</u>

The unamortized discount and deferred issue costs on proprietary fund bonds was \$25,129 and \$167,782, respectively, at year end.

2. Descriptions of Bonds and Notes

Bonds and notes payable at September 30, 2000 are comprised of the following:

General government - notes payable

\$1,250,000 note payable to City of Gulf Breeze, Florida Local Government Loan Program - due in 20 annual principal payments ranging from \$30,000 in 1989 to \$115,000 in 2008 - interest due semi-annually at fixed rates of 7.10% and 7.75% through 1998 and 7.75% thereafter. \$ 785,000

\$155,000 Third Cent Tourist Development Tax Revenue Tax Anticipation Note - due in 120 monthly payments of \$1,633 - interest due monthly at a fixed rate of 4.9%.
The note is secured by Third Cent Tourist Development Tax Revenues. 107,025

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE F- LONG-TERM DEBT -- (Continued)

2. Descriptions of Bonds and Notes (Continued)

\$39,920 note payable to bank with a fixed rate of 8% for the Santa Rosa Clean Community System, Inc. (SRCCS) - due in 59 monthly payments of \$400 beginning October 10, 1996 with a final balloon payment of \$30,681 on September 10, 2001. The note is secured by a lien on the SRCCS property. Although this note is between the SRCCS and the bank, the obligation is recorded in the General Long-term Debt Account Group of Santa Rosa County as the County committed to funding this note at \$5,000 per year for fifteen years.	27,605
\$1,414,000 note payable to bank for construction of a recreation facility in District 5 - due in 33 quarterly payments of \$50,000 including interest at 3.86%, beginning May 15, 1999. The note is secured by 8% of franchise fees from the Escambia River Electric Cooperative and Gulf Power.	1,114,000
\$1,000,000 note payable to bank for construction of a recreation facility in District 2 - due in 24 quarterly payments of \$41,667 plus interest at 4.54%, beginning August 15, 1998. The note is secured by 8% of franchise fees from the Escambia River Electric Cooperative and Gulf Power.	625,000
\$1,250,000 note payable to bank for construction of a recreation facility in District 4 - due in 30 quarterly payments ranging from \$34,600 - \$49,6000 plus interest at 4.93%, beginning November 15, 2000. The note is secured by 8% of franchise fees from the Escambia River Electric Cooperative and Gulf Power.	1,108,984
\$382,000 special assessment note payable to bank for capital improvements at Navarre Beach and Woodlore Subdivisions - due in monthly payments of \$3,914 including interest at 5.7% for 60 months, at which time the remaining principal balance shall be due. Annual assessments are made against property owners in amounts sufficient to retire the maturing principal and interest. As of September 30, 2000, substantially all assessments were collected. The Board covenants to pay sufficient funds to cure any deficiencies in pledged revenues available for payment of the note.	162,667

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE F- LONG-TERM DEBT -- (Continued)

2. Descriptions of Bonds and Notes (Continued)

\$250,000 special assessment note payable to bank for the construction of certain improvements to the Navarre Beach Fire Station and the purchase of certain fire equipment. Principal is due in 10 annual payments of \$25,000 with interest payable quarterly in arrears at 5.98%. Annual assessments are made against property owners in amounts sufficient to retire the maturing principal and interest. All assessments were collected by year end.	125,000
\$200,000 special assessment note payable to bank for construction of the Stanford Road water and sewer collection system. The principal is due in 10 annual payments from \$13,560 to \$48,746 beginning March 15, 1997 and interest is payable in arrears in quarterly payments at an annual rate of 5.28%. Annual assessments are made against property owners in amounts sufficient to retire the maturing principal and interest.	141,311
\$310,000 special assessment note payable to bank for the construction of the Wes Vic water and sewer collection system. The principal is due in 10 annual payments of \$31,000 beginning February 1, 1998 with interest due quarterly in arrears at 5.5%. Annual assessments are made against property owners sufficient to retire the maturing principal and interest.	217,000
\$92,000 special assessment note payable to bank for road paving improvements in the Central Parkway East MSBU. The principal is due in 9 annual payments beginning October 15, 2000 ranging from \$8,285 to \$12,401 with interest due quarterly in arrears at 5.17%. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest.	92,000
\$72,000 special assessment note payable to bank for the construction of the Ski Watch Estates Subdivision MSBU water and sewer collection system. The note is due in 96 monthly payments of \$1,021 including principal and interest at 7.99%. Annual assessments will be made against property owners sufficient to retire the maturing principal and interest.	67,562

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE F- LONG-TERM DEBT -- (Continued)

2. Descriptions of Bonds and Notes (Continued)

General government - bonds payable

\$8,625,000 Capital Improvement Revenue Bonds, Series 1991- 4.5 - 6.6% serial bonds due in annual installments of \$175,000 to \$345,000 from 1992 through 2006; 6.5% term bonds of \$2,610,000 due 2012; 6.375% term bonds of \$1,105,000 due 2014; and 6.6% term bonds of \$1,260,000 due in 2016. Bonds are allocated 50% to general long-term debt account group and 50% to Landfill Fund. 3,387,500

Total general government bonds and notes payable \$ 7,960,654

Proprietary fund type - bonds payable

Enterprise Fund - Landfill

\$8,625,000 Capital Improvement Revenue Bonds, Series 1991- 4.5 - 6.6% serial bonds due in annual installments of \$175,000 to \$345,000 from 1992 through 2006; 6.5% term bonds of \$2,610,000 due 2012; 6.375% term bonds of \$1,105,000 due 2014; and 6.6% term bonds of \$1,260,000 due in 2016. Bonds are allocated 50% to general long-term debt account group and 50% to Landfill Fund. \$ 3,387,500

Enterprise Fund - Navarre Beach

\$3,050,000 Water and Sewer Refunding Revenue Bonds, Series 1998 – 4.39% to 4.41% serial bonds due in quarterly installments of \$126,250 through May 2003 and \$26,250 thereafter through May 2008. 1,913,750

Total proprietary fund type bonds payable \$ 5,301,250

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE F- LONG-TERM DEBT -- (Continued)

3. Debt Service Requirements

The annual requirements to amortize all bonds and notes outstanding at September 30, 2000 including interest payments of \$5,461,870 are as follows:

Year Ending September 30,	Bonds		Notes		Total
	General Government	Proprietary	General Government	Special Assessments	
2001	\$ 347,046	\$ 927,923	\$ 740,498	\$ 170,247	\$ 2,185,714
2002	344,376	903,063	732,777	166,998	2,147,214
2003	346,276	782,772	724,665	163,743	2,017,456
2004	344,931	470,248	674,506	160,218	1,649,903
2005	347,976	468,608	545,359	110,258	1,472,201
After 2006	<u>3,805,617</u>	<u>4,113,488</u>	<u>1,137,762</u>	<u>194,419</u>	<u>9,251,286</u>
	<u>\$ 5,536,222</u>	<u>\$ 7,666,102</u>	<u>\$ 4,555,567</u>	<u>\$ 965,883</u>	<u>\$18,723,774</u>

4. Defeased Debt Outstanding

In prior years the Board defeased certain bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the Board's financial statements. At September 30, 2000, \$2.92 million of bonds are considered defeased.

NOTE G - CONDUIT DEBT OBLIGATIONS

From time to time Santa Rosa County has issued Industrial Development Revenue Bonds under the provisions of Chapter 159, Part II, Florida Statutes, to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the County, the State nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE G - CONDUIT DEBT OBLIGATIONS -- (Continued)

Governmental Accounting Standards Board Interpretation No. 2 requires disclosure of the aggregate principal amount of conduit debt outstanding. If the aggregate amount outstanding is not determinable or reasonably estimable the original issue amount should be disclosed. The County has not completed determination of these amounts.

NOTE H - OPERATING LEASES

The County has entered into various lease agreements for office space. These leases are either on a month to month basis or for periods of one year. Rental expense for office space for the year ended September 30, 2000 was \$68,700.

NOTE I - DEFERRED REVENUE

The Board has lease receivables outstanding on undeveloped properties. Amounts totaling \$14,751 were recorded as deferred revenue at year end. Deferred revenues from advanced billings on Navarre Beach Leases totaled \$47,810.

NOTE J - INTERFUND RECEIVABLES AND PAYABLES

Individual fund inter-fund receivables and payables at September 30, 2000, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Gas and Oil	\$ 944,873
General	MSBU	432,096
General	Insurance Clearing	15,846
General	Flex Benefits	5,000
MSBU	General	11,853
Fine and Forfeiture	Drug Enforcement	89,456
District 5	District 1	156,443
		<u>\$ 1,655,567</u>

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE K - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the County to place a final cover on its landfill sites when the County stops accepting waste and to perform certain maintenance and monitoring functions at sites for thirty years after closure. Although closure and postclosure care costs are paid only near or after the date that a landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$6.7 million reported as landfill closure and postclosure care liability (current and noncurrent) at September 30, 2000, represents the cumulative amount reported to date based on the following percentage usage of the estimated capacity of each of the County's landfills:

Central Class I Landfill	36%
Central Class III Landfill	Closed 10/98
Holley Landfill	Closed 06/94
Northwest Landfill	Closed 02/91

The remaining estimated cost of closure and postclosure care for the Central Class III, Holley and Northwest landfills have been recognized in prior years with any changes in estimates being recorded in the current year, since these landfills were filled to capacity prior to or during 1999. The County will recognize the remaining estimated cost of closure and postclosure care for the Central Class I landfill in the amount of \$4.3 million as its remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2000. The estimated remaining life of the Central Class I Landfill is 22 years. Cost of closure and life estimates are based on the areas currently in use, and not on potential areas of expansion. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. At September 30, 2000, the County held investments of \$1,100,507 to cover the escrow requirement of \$877,925. These investments are reported as restricted assets on the balance sheet. The County expects that future inflation costs will be paid from interest earnings on these restricted investments and from charges to future landfill users or future tax revenue.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE L - COMMITMENTS AND CONTINGENCIES

1. Retirement Plan

Participation - Employees of the Board participate in the Florida Retirement System, a cost-sharing multiple-employer retirement system, established by Chapter 121, Florida Statutes. Participation is compulsory for full-time and part-time employees working in regularly established positions. Elected officials may elect not to participate in the system. Eligible employees may elect to participate in the Deferred Retirement Option Program (DROP), deferring receipt of retirement benefits while continuing employment with a Florida Retirement System employer.

Contributions - Chapter 121 requires the employer to pay all contributions (employee noncontributory) based upon state-wide rates established by the State of Florida. During 1999, the Board contributed an average of 9.9 percent of each qualified regular employee's gross salary, 17.74 percent of the elected official's salary, 20.94 percent of each special risk employee's salary, and 12.5% for each DROP participant. The contributions, funded on a pay-as-you-go basis, were equal to the actuarially determined contribution requirements for each year and totaled \$934,566, \$1,287,513 and \$1,364,742 for the years ended September 30, 2000, 1999, and 1998, respectively.

Benefit Provisions - The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The FRS provides for vesting of benefits after 10 years of creditable service. Normal retirement benefits are available to employees who retire at or after age 62 with 10 or more years of service, or to those employees who have at least 30 years of creditable service, regardless of age. Early retirement is available after 10 years of service with a 5% reduction of benefits for each year prior to the normal retirement age. Retirement benefits are based upon age, average compensation and years-of-service credit where average compensation is computed as the average of an individual's five highest years of earnings. For DROP participants, the deferred monthly benefit plus interest compounded monthly, accrues for the specified period of the DROP participation. Upon retirement, the participant receives the total accumulated DROP benefits and begins to receive current benefits at the previously determined rate.

Financial Report of the Plan - The Florida Retirement System issues a stand-alone financial report. A copy can be obtained by contacting the State of Florida, Division of Retirement, Tallahassee, Florida.

2. Litigation

The Board is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Board's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the Board.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE L - COMMITMENTS AND CONTINGENCIES -- (Continued)

3. Federal and State Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time although the Board expects such amounts, if any, to be immaterial.

NOTE M - RESERVES AND DESIGNATIONS

The following is a list of reserves used by the Board:

Reserved for Inventory - The General fund and Road and Bridge fund have \$32,963 and \$371,868 respectively, reserved for inventory to indicate that inventory does not represent available spendable resources even though it is a component of assets.

Reserved for Communications - The General fund has \$492,464 reserved for the enhancement of Emergency Medical Services and law enforcement communications.

Reserved for Animal Services Education - The General fund has \$22,594 reserved for use in educating the public on spaying and neutering.

Reserved for Forfeited Property - The Fine and Forfeiture fund has \$17,048 reserved for assets to be used for appropriation to the Sheriff primarily to defray costs of protracted or complex investigations, to provide technical equipment, or to provide matching funds to obtain federal grants.

Reserved for Boating Improvements - The General fund has \$119,354 of moneys received from the Marine Resources Conservation Trust Fund reserved for recreational channel marking, public launching facilities and other boating-related activities.

Reserved for Tourist Development - The Local Option Tourist Tax fund has reserved \$356,869 for tourist development activities.

Reserved for Gas and Oil Preservation - The Gas and Oil fund has reserved \$5,485,880 to indicate that assets of the gas and oil preservation fund are restricted and do not represent available, spendable resources, except in emergency situations.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE M - RESERVES AND DESIGNATIONS -- (Continued)

Reserved for Debt Service - The Debt Service fund has \$145,923 reserved for debt service resources legally restricted to the payment of long-term debt principal and interest amounts maturing in future years.

Reserved for Construction - The Capital Projects funds have \$2,186,191 reserved for construction commitments.

Reserved for Bond Indenture - The Navarre Beach fund has reserved \$31,615 for renewal and replacement of the water and sewer system.

Unreserved – Designated – This represents the portion of total fund balance available for appropriation that has been designated for the 2000-2001 Adopted Budget.

Unreserved – Undesignated – This represents the portion of total fund balance available for appropriation which is uncommitted at year end.

NOTE N - PROPERTY TAXES - REVENUE RECOGNITION

Property taxes levied on property valuations as of January 1, 2000, and expected to be collected during the period November 2000 through March 2001 as follows:

General Fund	\$ 8,693,800
Road and Bridge Fund	\$ 2,963,800
Fine and Forfeiture Fund	\$15,893,850

These taxes, although measurable, are not recognized as revenue at September 30, 2000, since they are not considered to be collectible within the current period or soon enough thereafter to be used to pay current period liabilities.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE O - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Board maintains four enterprise funds consisting of water, sewer and lease operations of Navarre Beach, solid waste disposal operations of the Landfill Fund, hanger facilities at Peter Prince Field and the Industrial Park. Segment information for the year ended September 30, 2000, is as follows:

	<u>Navarre Beach</u>	<u>Landfill</u>	<u>Peter Prince Field</u>	<u>Industrial Park</u>
Operating revenues	\$ 1,935,073	\$ 2,004,081	\$ 156,791	\$ 3,813
Depreciation and amortization expense	351,516	326,385	165,495	--
Operating income (loss)	672,270	257,375	(36,509)	(57,804)
Interest income	279,209	139,402	14,357	144,211
Interest expense	95,735	222,967	--	--
Intergovernmental revenues – Grants	287,396	62,116	--	--
Operating transfers in	--	--	--	--
Operating transfers out	--	--	--	--
Net income (loss)	1,113,581	199,779	(22,152)	699,407
Property, plant and equipment:				
Additions	3,012,900	193,050	207,355	--
Deletions	2,398,087	153,496	--	--
Net working capital	4,226,635	1,793,172	206,884	640,944
Total assets	8,644,738	6,722,274	2,449,774	2,713,529
Bonds and other long term liabilities	1,913,750	9,935,935	--	--
Retained earnings (accumulated deficit)	4,072,636	(6,582,808)	(73,606)	976,953
Contributed capital	2,361,764	2,867,648	2,521,866	1,726,818
Total equity (deficit)	6,434,400	(3,715,160)	2,448,260	2,703,771

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE P - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1986 the County established a Self-Insurance Fund (an internal service fund) to account for and finance its uninsured risks of loss. Under this program the County is self-insured with respect to the following exposures:

- Workers Compensation
- Auto Physical Damage
- Auto Liability
- Construction and Road Equipment

The County is covered by outside insurance for the following exposures:

- Portable Communication Equipment
- Boats
- Employee Fidelity
- General Liability, \$100,000 deductible
- Public Officials' Liability, \$100,000 deductible

Conventional insurance remains in effect for buildings, contents and Sheriff's general, automobile and professional liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Board of County Commissioners and other County elected officials participate in the program and make payments to the Self-Insurance Fund based on historical estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophe losses. At September 30, 2000, the Self Insurance fund has a deficit fund balance of \$48,992. Therefore, no reserve or designation of fund balance is reported. The claims liability of \$2,104,365 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Liabilities for incurred losses to be settled by fixed or reasonably determined payments over a long period of time are reported at their present value using an expected future investment yield assumption of 8 percent. These liabilities are reported at their present value of \$398,740 at September 30, 2000. Changes in the Fund's claims liability amount in fiscal years 1999 and 2000 were as follows:

Santa Rosa County, Florida
Board of County Commissioners

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE P - RISK MANAGEMENT -- (Continued)

	<u>Beginning-of- Fiscal-Year Liability</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Balance at Fiscal Year-End</u>
1998 - 1999	\$ 1,998,567	\$ 2,136,051	\$ 1,697,147	\$ 2,437,471
1999 - 2000	\$ 2,437,471	\$ 846,852	\$ 1,179,958	\$ 2,104,365

The County is a member of the Florida Association of Counties Trust, a pooled liability program providing general liability coverage and public officials' liability coverage, excluding the Sheriff. The County pays an annual premium as a participant of the pooled liability program. During 1994, the first year of participation, the County paid an extraordinary loss fund payment of \$249,886. The liability coverage is not designed to be assessable; however, should the pool fail to meet its obligations, the County may be required to contribute additional funds or cover its own obligations. No accrual for future assessments has been recorded in the balance sheet as such assessments do not appear probable based on past experience of the pool, and experience of the pool subsequent to the County's fiscal year end through the date of these financial statements. In the event the County elected to terminate its participation in the pool, the extraordinary loss fund payment would be refunded to the County, given adequate funding of the pool.

NOTE Q - COMPLIANCE AND ACCOUNTABILITY

Accumulated Deficits

The following funds had deficits at year end in fund balance/retained earnings.

Proprietary Fund Types – Enterprise Funds

Landfill Fund - The deficit in this fund results from the cumulative effect of the following:

Adoption of GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs", which requires recognition of costs of closure and postclosure maintenance over the active life of each landfill area, based on landfill capacity used during the period.

Depreciation charged against operations.

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE Q - COMPLIANCE AND ACCOUNTABILITY -- (Continued)

Loss on bond refunding of \$443,769 in 1992.

Transfer of working capital to other funds.

Debt covenants require that rates be adjusted periodically to insure sufficient revenues are generated to meet operational and debt service needs.

Peter Prince Field Fund – The deficit in this fund results from the cumulative effect of depreciation being charged against operations.

Proprietary Fund Types – Internal Service Funds

Self-Insurance Fund – The deficit in this fund relates primarily to increases in the estimated claims liability for workers compensation claims and expenses incurred in fiscal years 1999 and 2000 related to amounts paid by the County for excess employee health claims. The County believes it is entitled to reimbursement from a third party provider for these excess claims and is negotiating to secure such reimbursement. If reimbursements are not adequate to eliminate the deficit, the County may have to increase charges to participants in the Self-Insurance program or make contributions from other sources of funds.

Central Communications Fund – The deficit in this fund is due to user charges not being adequate to cover the costs of providing telephone and internet services.

Expenditures in Excess of Appropriations

The following funds had expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
Local Option Tourist Tax	\$419,151	\$424,583	\$5,432
Fine and Forfeiture	\$20,389,690	\$20,510,052	\$120,362

NOTE R - POST RETIREMENT HEALTH CARE BENEFITS

In 1994, the Board established a Health Insurance Subsidy program for current and future retirees. Eligibility is limited to any person who retires with ten years of creditable service (eight years for elected service) and is qualified under the State of Florida Retirement System. The subsidy is calculated by

**Santa Rosa County, Florida
Board of County Commissioners**

NOTES TO FINANCIAL STATEMENTS

September 30, 2000

NOTE R - POST RETIREMENT HEALTH CARE BENEFITS -- (Continued)

multiplying the total years of Florida Retirement System creditable service by \$2 with a maximum of thirty years. No one receives less than \$16 per month nor more than \$60 per month. This subsidy is recognized by the Board on a pay-as-you-go basis. The Board recognized \$21,510 in health insurance subsidies for retirees during the fiscal year ended September 30, 2000. The Board cannot feasibly determine the number of persons eligible to receive this benefit. There are currently fifty-two retirees participating in the program.

NOTE S - SUBSEQUENT EVENT

On December 28, 2000 the Board issued \$6,535,000 in Capital Improvement Revenue Refunding Bonds with an average interest rate of 4.1% to advance refund a portion of the County's Capital Improvement Revenue Bonds, Series 1991, currently outstanding in the principal amount of \$6,775,000 with an average interest rate of 6.3% and to pay certain costs of issuance of the 2000 Bonds, including the cost of municipal bond insurance. The portion of the 1991 Bonds to be refunded totals \$6,245,000 and includes the 1991 Bonds maturing in the years 2003 through 2016. The remaining 1991 Bonds totaling \$530,000 and maturing in the years 2001 and 2002 will remain outstanding until their maturity.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Road and Bridge Fund - accounts for various tax assessments and other revenues designated to be used for the maintenance of the county's roads and bridges.

Fine and Forfeiture Fund - accounts for income from fines and forfeitures and various other assessments used for law enforcement purposes.

Gas and Oil Preservation Fund - accounts for assets accumulated from prior years attributable to non-recurring gas and oil tax revenues.

State Matching Program Fund - accounts for state and local funding used for mosquito and other arthropod control.

Enhanced 911 Telephone System Fund - accounts for funds used to maintain the 911 telephone system.

Drug Enforcement Grant Fund - accounts for federal grant funds passed through the state under the Anti-Drug Abuse Act of 1988. These funds are used to provide additional personnel, equipment, facilities, training, and supplies for apprehension, prosecution and adjudication of persons who violate state and local laws relating to controlled substances.

State Housing Initiative Partnership Fund - accounts for state funds received to provide housing assistance to low and middle income families.

Local Option Tourist Tax Fund - accounts for tax revenues to be used for tourist development activities.

Highway 87 Sewer Project – accounts for federal grant funds passed through the state as a Community Development Block Grant for specified construction projects.

Electricity Franchise Fee – accounts for revenues restricted though debt covenants.

Municipal Service Benefits Units (MSBUs) - accounts for special assessments levied against property owners for capital improvements or services rendered for benefit of the affected areas.

Disaster Fund – accounts for funds received to provide disaster relief after hurricanes and other disasters.

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS**

September 30, 2000

	Road and Bridge	Fine and Forfeiture	Gas and Oil Preservation	State Matching Program	Enhanced 911 Telephone System	Drug Enforcement Grant	State Housing Initiative Partnership
ASSETS							
Cash and cash equivalents	\$ 516,981	\$ 502,643	\$ 2,706	\$ 27,963	\$ 45,557	\$ 39,132	\$ 612,858
Investments	3,337,997	1,755,501	6,428,047	108,434	142,356	38,254	1,065,780
Accounts receivable, net of uncollectibles	4,775	2,879	--	--	32,232	--	--
Due from other governments	1,661,614	1,045,648	--	--	6,643	12,070	50,973
Due from other funds	--	89,456	--	--	--	--	--
Inventory	371,868	--	--	--	--	--	--
Total assets	<u>\$ 5,893,235</u>	<u>\$ 3,396,127</u>	<u>\$ 6,430,753</u>	<u>\$ 136,397</u>	<u>\$ 226,788</u>	<u>\$ 89,456</u>	<u>\$ 1,729,611</u>
LIABILITIES							
Accounts payable	\$ 400,232	\$ 69,026	\$ --	\$ --	\$ 20,408	\$ --	\$ 45,974
Accrued compensation	116,651	25,398	--	--	2,914	--	--
Due to other funds	--	--	944,873	--	--	89,456	--
Total liabilities	<u>516,883</u>	<u>94,424</u>	<u>944,873</u>	<u>--</u>	<u>23,322</u>	<u>89,456</u>	<u>45,974</u>
FUND EQUITY							
Fund balances							
Reserved for forfeited property	--	17,048	--	--	--	--	--
Reserved for gas and oil preservation	--	--	5,485,880	--	--	--	--
Reserved for inventory	371,868	--	--	--	--	--	--
Reserved for tourist development	--	--	--	--	--	--	--
Unreserved - designated	640,552	1,262,372	--	30,610	31,850	--	32,502
Unreserved - undesignated	4,363,932	2,022,283	--	105,787	171,616	--	1,651,135
Total fund balances	<u>5,376,352</u>	<u>3,301,703</u>	<u>5,485,880</u>	<u>136,397</u>	<u>203,466</u>	<u>--</u>	<u>1,683,637</u>
Total liabilities and fund equity	<u>\$ 5,893,235</u>	<u>\$ 3,396,127</u>	<u>\$ 6,430,753</u>	<u>\$ 136,397</u>	<u>\$ 226,788</u>	<u>\$ 89,456</u>	<u>\$ 1,729,611</u>

Continued ...

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS - CONTINUED**

September 30, 2000

	Local Option Tourist Tax	Highway 87 Sewer Project	Electricity Franchise Fee	MSBUs	Disaster Fund	Totals
ASSETS						
Cash and cash equivalents	\$ 201,654	\$ 3,032	\$ 346,527	\$ 319,230	\$ 2,347	\$ 2,620,630
Investments	176,568	--	7,301,853	113,788	102,710	20,571,288
Accounts receivable, net of uncollectibles	--	--	254,866	15,340	--	310,092
Due from other governments	--	--	--	420,000	344,394	3,541,342
Due from other funds	--	--	--	11,853	--	101,309
Inventory	--	--	--	--	--	371,868
Total assets	\$ 378,222	\$ 3,032	\$ 7,903,246	\$ 880,211	\$ 449,451	\$ 27,516,529
LIABILITIES						
Accounts payable	\$ 21,353	\$ --	\$ --	\$ 5,387	\$ --	\$ 562,380
Accrued compensation	--	--	--	--	--	144,963
Due to other funds	--	--	--	432,096	--	1,466,425
Total liabilities	21,353	--	--	437,483	--	2,173,768
FUND EQUITY						
Fund balances						
Reserved for forfeited property	--	--	--	--	--	17,048
Reserved for gas and oil preservation	--	--	--	--	--	5,485,880
Reserved for inventory	--	--	--	--	--	371,868
Reserved for tourist development	356,869	--	--	--	--	356,869
Unreserved - designated	--	--	--	154,748	--	2,152,634
Unreserved - undesignated	--	3,032	7,903,246	287,980	449,451	16,958,462
Total fund balances	356,869	3,032	7,903,246	442,728	449,451	25,342,761
Total liabilities and fund equity	\$ 378,222	\$ 3,032	\$ 7,903,246	\$ 880,211	\$ 449,451	\$ 27,516,529

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS**

Year ended September 30, 2000

	Road and Bridge	Fine and Forfeiture	Gas and Oil Preservation	State Matching Program	Enhanced 911 Telephone System	Drug Enforcement Grant	State Housing Initiative Partnership
Revenues							
Taxes	\$ 5,826,784	\$ 14,842,417	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	3,932,459	85,585	--	31,548	--	--	1,016,440
Charges for services	--	2,559,453	--	--	435,270	--	--
Fines and forfeits	--	1,659,146	--	--	--	--	--
Miscellaneous	505,637	359,070	375,038	7,012	5,229	--	67,127
Total revenues	10,264,880	19,505,671	375,038	38,560	440,499	--	1,083,567
Expenditures							
Current							
General government	--	2,387,552	--	--	--	--	--
Public safety	1,506,282	18,122,500	--	--	323,296	--	--
Physical environment	--	--	--	--	--	--	--
Transportation	10,025,867	--	--	--	--	--	--
Economic environment	--	--	--	--	--	--	800,287
Human services	--	--	--	18,604	--	--	--
Culture and recreation	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--
Debt service	--	--	--	--	--	--	--
Total expenditures	11,532,149	20,510,052	--	18,604	323,296	--	800,287
Excess (deficiency) of revenues over expenditures	(1,267,269)	(1,004,381)	375,038	19,956	117,203	--	283,280
Other financing sources (uses)							
Operating transfers in	--	1,416,457	--	--	45,129	--	--
Operating transfers out	(4,477)	--	(285,000)	--	--	(83,960)	--
Special assessment note proceeds	--	--	--	--	--	--	--
Total other financing sources (uses)	(4,477)	1,416,457	(285,000)	--	45,129	(83,960)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,271,746)	412,076	90,038	19,956	162,332	(83,960)	283,280
Fund balance, beginning of year	6,525,931	2,889,627	5,395,842	116,441	41,134	83,960	1,400,357
Change in reserve for inventory	122,167	--	--	--	--	--	--
Fund balance, end of year	\$ 5,376,352	\$ 3,301,703	\$ 5,485,880	\$ 136,397	\$ 203,466	\$ --	\$ 1,683,637

Continued ...

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS - CONTINUED**

Year ended September 30, 2000

	Local Option Tourist Tax	Highway 87 Sewer Project	Electricity Franchise Fee	MSBUs	Disaster Fund	Totals
Revenues						
Taxes	\$ 475,617	\$ --	\$ 2,861,767	\$ 479	\$ --	\$ 24,007,064
Intergovernmental	--	13,830	--	294,000	--	5,373,862
Charges for services	--	--	--	--	--	2,994,723
Fines and forfeits	--	--	--	--	--	1,659,146
Miscellaneous	14,336	75	380,105	1,378,994	9,981	3,102,604
Total revenues	489,953	13,905	3,241,872	1,673,473	9,981	37,137,399
Expenditures						
Current						
General government	--	--	--	--	--	2,387,552
Public safety	--	--	--	1,030,876	73,646	21,056,600
Physical environment	--	--	--	113,468	--	113,468
Transportation	--	--	--	288,778	--	10,314,645
Economic environment	424,583	--	--	--	--	1,224,870
Human services	--	--	--	--	--	18,604
Culture and recreation	--	--	--	451,557	--	451,557
Capital outlay	--	14,942	--	--	--	14,942
Debt service	--	--	--	4,301	--	4,301
Total expenditures	424,583	14,942	--	1,888,980	73,646	35,586,539
Excess (deficiency) of revenues over expenditures	65,370	(1,037)	3,241,872	(215,507)	(63,665)	1,550,860
Other financing sources (uses)						
Operating transfers in	--	--	--	201,217	--	1,662,803
Operating transfers out	(19,643)	--	(1,602,095)	(298,207)	--	(2,293,382)
Special assessment note proceeds	--	--	--	164,000	--	164,000
Total other financing sources (uses)	(19,643)	--	(1,602,095)	67,010	--	(466,579)
Excess (deficiency) of revenues and other sources over expenditures and other uses	45,727	(1,037)	1,639,777	(148,497)	(63,665)	1,084,281
Fund balance, beginning of year	311,142	4,069	6,263,469	591,225	513,116	24,136,313
Change in reserve for inventory	--	--	--	--	--	122,167
Fund balance, end of year	\$ 356,869	\$ 3,032	\$ 7,903,246	\$ 442,728	\$ 449,451	\$ 25,342,761

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS**

Year ended September 30, 2000

	Road and Bridge Fund			Fine and Forfeiture Fund			Gas and Oil Preservation Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Taxes	\$ 5,614,810	\$ 5,826,784	\$ 211,974	\$ 14,526,200	\$ 14,842,417	\$ 316,217	\$ --	\$ --	\$ --
Intergovernmental	3,490,590	3,932,459	441,869	426,250	85,585	(340,665)	--	--	--
Charges for services	--	--	--	1,646,284	2,559,453	913,169	--	--	--
Fines and forfeits	--	--	--	1,312,710	1,659,146	346,436	--	--	--
Miscellaneous	632,421	505,637	(126,784)	218,500	359,070	140,570	285,000	375,038	90,038
Total revenues	9,737,821	10,264,880	527,059	18,129,944	19,505,671	1,375,727	285,000	375,038	90,038
Expenditures									
Current									
General government	--	--	--	2,205,450	2,387,552	(182,102)	--	--	--
Public safety	1,491,226	1,506,282	(15,056)	18,184,240	18,122,500	61,740	--	--	--
Physical environment	--	--	--	--	--	--	--	--	--
Transportation	11,161,015	10,025,867	1,135,148	--	--	--	--	--	--
Economic environment	--	--	--	--	--	--	--	--	--
Human services	--	--	--	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	--	--	--
Debt service	--	--	--	--	--	--	--	--	--
Total expenditures	12,652,241	11,532,149	1,120,092	20,389,690	20,510,052	(120,362)	--	--	--
Excess (deficiency) of revenues over expenditures	(2,914,420)	(1,267,269)	1,647,151	(2,259,746)	(1,004,381)	1,255,365	285,000	375,038	90,038
Other financing sources (uses)									
Operating transfers in	--	--	--	1,332,497	1,416,457	83,960	--	--	--
Operating transfers out	(4,477)	(4,477)	--	(40,080)	--	40,080	(285,000)	(285,000)	--
Special assessment note proceeds	--	--	--	--	--	--	--	--	--
Total other financing sources (uses)	(4,477)	(4,477)	--	1,292,417	1,416,457	124,040	(285,000)	(285,000)	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,918,897)	(1,271,746)	1,647,151	(967,329)	412,076	1,379,405	--	90,038	90,038
Fund balance, beginning of year	4,842,855	6,525,931	1,683,076	1,048,213	2,889,627	1,841,414	--	5,395,842	5,395,842
Change in reserve for inventory	--	122,167	122,167	--	--	--	--	--	--
Fund balance, end of year	\$ 1,923,958	\$ 5,376,352	\$ 3,452,394	\$ 80,884	\$ 3,301,703	\$ 3,220,819	\$ --	\$ 5,485,880	\$ 5,485,880

Continued...

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS**

Year ended September 30, 2000

	State Matching Program			Enhanced 911 Telephone System			Drug Enforcement Grant		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Intergovernmental	\$ 27,890	\$ 31,548	\$ 3,658	\$ --	\$ --	\$ --	\$ 114,230	\$ --	\$ (114,230)
Charges for services	--	--	--	361,440	435,270	73,830	--	--	--
Fines and forfeits	--	--	--	--	--	--	--	--	--
Miscellaneous	--	7,012	7,012	--	5,229	5,229	--	--	--
Total revenues	27,890	38,560	10,670	361,440	440,499	79,059	114,230	--	(114,230)
Expenditures									
Current									
General government	--	--	--	--	--	--	--	--	--
Public safety	--	--	--	406,569	323,296	83,273	154,310	--	154,310
Physical environment	--	--	--	--	--	--	--	--	--
Transportation	--	--	--	--	--	--	--	--	--
Economic environment	--	--	--	--	--	--	--	--	--
Human services	36,500	18,604	17,896	--	--	--	--	--	--
Culture/Recreation	--	--	--	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--	--	--	--
Debt service	--	--	--	--	--	--	--	--	--
Total expenditures	36,500	18,604	17,896	406,569	323,296	83,273	154,310	--	154,310
Excess (deficiency) of revenues over expenditures	(8,610)	19,956	28,566	(45,129)	117,203	162,332	(40,080)	--	40,080
Other financing sources (uses)									
Operating transfers in	--	--	--	45,129	45,129	--	40,080	--	(40,080)
Operating transfers out	--	--	--	--	--	--	--	(83,960)	(83,960)
Special assessment note proceeds	--	--	--	--	--	--	--	--	--
Total other financing sources (uses)	--	--	--	45,129	45,129	--	40,080	(83,960)	(124,040)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(8,610)	19,956	28,566	--	162,332	162,332	--	(83,960)	(83,960)
Fund balance, beginning of year	67,380	116,441	49,061	--	41,134	41,134	--	83,960	83,960
Change in reserve for inventory	--	--	--	--	--	--	--	--	--
Fund balance, end of year	\$ 58,770	\$ 136,397	\$ 77,627	\$ --	\$ 203,466	\$ 203,466	\$ --	\$ --	\$ --

Santa Rosa County, Florida
Board of County Commissioners

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS

Year ended September 30, 2000

	State Housing Initiative Partnership			Local Option Tourist Tax			Highway 87		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Taxes	\$ --	\$ --	\$ --	\$ 338,794	\$ 475,617	\$ 136,823	\$ --	\$ --	\$ --
Intergovernmental	849,275	1,016,440	167,165	--	--	--	13,830	13,830	--
Charges for services	--	--	--	--	--	--	--	--	--
Fines and forfeits	--	--	--	--	--	--	--	--	--
Miscellaneous	--	67,127	67,127	--	14,336	14,336	--	75	75
Total revenues	849,275	1,083,567	234,292	338,794	489,953	151,159	13,830	13,905	75
Expenditures									
Current									
General government	--	--	--	--	--	--	--	--	--
Public safety	--	--	--	--	--	--	--	--	--
Physical environment	--	--	--	--	--	--	--	--	--
Transportation	--	--	--	--	--	--	--	--	--
Economic environment	849,275	800,287	48,988	419,151	424,583	(5,432)	--	--	--
Human services	--	--	--	--	--	--	--	--	--
Culture and recreation	--	--	--	--	--	--	--	--	--
Capital outlay	--	--	--	--	--	--	14,943	14,942	1
Debt service	--	--	--	--	--	--	--	--	--
Total expenditures	849,275	800,287	48,988	419,151	424,583	(5,432)	14,943	14,942	1
Excess (deficiency) of revenues over expenditures	--	283,280	283,280	(80,357)	65,370	145,727	(1,113)	(1,037)	76
Other financing sources (uses)									
Operating transfers in	--	--	--	--	--	--	--	--	--
Operating transfers out	--	--	--	(19,643)	(19,643)	--	--	--	--
Special assessment note proceeds	--	--	--	--	--	--	--	--	--
Total other financing sources (uses)	--	--	--	(19,643)	(19,643)	--	--	--	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	--	283,280	283,280	(100,000)	45,727	145,727	(1,113)	(1,037)	76
Fund balance, beginning of year	--	1,400,357	1,400,357	100,000	311,142	211,142	1,113	4,069	2,956
Change in reserve for inventory	--	--	--	--	--	--	--	--	--
Fund balance, end of year	\$ --	\$ 1,683,637	\$ 1,683,637	\$ --	\$ 356,869	\$ 356,869	\$ --	\$ 3,032	\$ 3,032

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS**

Year ended September 30, 2000

	Electricity Franchise Fee			MSBUs		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$ 2,500,000	\$ 2,861,767	\$ 361,767	\$ --	\$ 479	\$ 479
Intergovernmental	--	--	--	294,000	294,000	--
Charges for services	--	--	--	--	--	--
Fines and forfeits	--	--	--	--	--	--
Miscellaneous	--	380,105	380,105	1,376,323	1,378,994	2,671
Total revenues	2,500,000	3,241,872	741,872	1,670,323	1,673,473	3,150
Expenditures						
Current						
General government	--	--	--	--	--	--
Public safety	--	--	--	1,030,876	1,030,876	--
Physical environment	--	--	--	115,680	113,468	2,212
Transportation	--	--	--	330,724	288,778	41,946
Economic environment	--	--	--	--	--	--
Human services	--	--	--	--	--	--
Culture and recreation	--	--	--	594,537	451,557	142,980
Capital outlay	--	--	--	--	--	--
Debt service	--	--	--	4,302	4,301	1
Total expenditures	--	--	--	2,076,119	1,888,980	187,139
Excess (deficiency) of revenues over expenditures	2,500,000	3,241,872	741,872	(405,796)	(215,507)	190,289
Other financing sources (uses)						
Operating transfers in	--	--	--	201,217	201,217	--
Operating transfers out	(1,602,095)	(1,602,095)	--	(309,874)	(298,207)	11,667
Special assessment note proceeds	--	--	--	164,000	164,000	--
Total other financing sources (uses)	(1,602,095)	(1,602,095)	--	55,343	67,010	11,667
Excess (deficiency) of revenues and other sources over expenditures and other uses	897,905	1,639,777	741,872	(350,453)	(148,497)	201,956
Fund balance, beginning of year	6,292,757	6,263,469	(29,288)	515,358	591,225	75,867
Change in reserve for inventory	--	--	--	--	--	--
Fund balance, end of year	\$ 7,190,662	\$ 7,903,246	\$ 712,584	\$ 164,905	\$ 442,728	\$ 277,823

Santa Rosa County, Florida
Board of County Commissioners

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - CONTINUED
ALL SPECIAL REVENUE FUNDS

Year ended September 30, 2000

	Disaster Fund			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Taxes	\$ --	\$ --	\$ --	\$ 22,979,804	\$ 24,007,064	\$ 1,027,260
Intergovernmental	--	--	--	5,216,065	5,373,862	157,797
Charges for services	--	--	--	2,007,724	2,994,723	986,999
Fines and forfeits	--	--	--	1,312,710	1,659,146	346,436
Miscellaneous	--	9,981	9,981	2,512,244	3,102,604	590,360
Total revenues	--	9,981	9,981	34,028,547	37,137,399	3,108,852
Expenditures						
Current						
General government	--	--	--	2,205,450	2,387,552	(182,102)
Public safety	73,646	73,646	--	21,340,867	21,056,600	284,267
Physical environment	--	--	--	115,680	113,468	2,212
Transportation	--	--	--	11,491,739	10,314,645	1,177,094
Economic environment	--	--	--	1,268,426	1,224,870	43,556
Human services	--	--	--	36,500	18,604	17,896
Culture and recreation	--	--	--	594,537	451,557	142,980
Capital outlay	--	--	--	14,943	14,942	1
Debt service	--	--	--	4,302	4,301	1
Total expenditures	73,646	73,646	--	37,072,444	35,586,539	1,485,905
Excess (deficiency) of revenues over expenditures	(73,646)	(63,665)	9,981	(3,043,897)	1,550,860	4,594,757
Other financing sources (uses)						
Operating transfers in	--	--	--	1,618,923	1,662,803	43,880
Operating transfers out	--	--	--	(2,261,169)	(2,293,382)	(32,213)
Special assessment note proceeds	--	--	--	164,000	164,000	--
Total other financing sources (uses)	--	--	--	(478,246)	(466,579)	11,667
Excess (deficiency) of revenues and other sources over expenditures and other uses	(73,646)	(63,665)	9,981	(3,522,143)	1,084,281	4,606,424
Fund balance, beginning of year	73,646	513,116	439,470	12,941,322	24,136,313	11,194,991
Change in reserve for inventory	--	--	--	--	122,167	122,167
Fund balance, end of year	\$ --	\$ 449,451	\$ 449,451	\$ 9,419,179	\$ 25,342,761	\$ 15,923,582

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

1999 District One Capital Projects Fund - accounts for the construction of sports and recreation facilities in District One.

1998 District Two Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Two.

1999 District Three Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Three.

1998 District Four Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Four.

1998 District Five Capital Projects Fund - accounts for the construction of sports and recreation facilities in District Five.

All Other Fund - accounts for the purchase or construction of other capital facilities which are not financed by proprietary funds or trust funds.

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS**

September 30, 2000

	District 1 Project	District 2 Project	District 3 Project
ASSETS			
Cash and cash equivalents	\$ 14,365	\$ 4,041	\$ 15,990
Investments	251,730	590,934	173,362
Due from other governments	306,443	--	150,000
Due from other funds	--	--	--
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 572,538</u>	<u>\$ 594,975</u>	<u>\$ 339,352</u>
LIABILITIES			
Accounts payable	\$ --	\$ 836	\$ --
Due to other funds	156,443	--	--
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>156,443</u>	<u>836</u>	<u>--</u>
FUND EQUITY			
Fund balances			
Reserved for construction projects	416,095	594,139	339,352
Unreserved - designated	--	--	--
Unreserved - undesignated	--	--	--
	<hr/>	<hr/>	<hr/>
Total fund balances	<u>416,095</u>	<u>594,139</u>	<u>339,352</u>
	<hr/>	<hr/>	<hr/>
Total liabilities and fund equity	<u>\$ 572,538</u>	<u>\$ 594,975</u>	<u>\$ 339,352</u>

Continued ...

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS - CONTINUED**

September 30, 2000

ASSETS	District 4 Project	District 5 Project	All other	Totals
Cash and cash equivalents	\$ 18,770	\$ 13,963	\$ 64,853	\$ 131,982
Investments	616,116	277,505	4,930,872	6,840,519
Due from other governments	--	--	--	456,443
Due from other funds	--	--	156,443	156,443
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 634,886</u>	<u>\$ 291,468</u>	<u>\$ 5,152,168</u>	<u>\$ 7,585,387</u>
LIABILITIES				
Accounts payable	\$ 31,490	\$ 58,260	\$ 126,218	\$ 216,804
Due to other funds	--	--	--	156,443
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>31,490</u>	<u>58,260</u>	<u>126,218</u>	<u>373,247</u>
FUND EQUITY				
Fund balances				
Reserved for construction projects	603,396	233,208	--	2,186,190
Unreserved - designated	--	--	2,340,551	2,340,551
Unreserved - undesignated	--	--	2,685,399	2,685,399
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances	<u>603,396</u>	<u>233,208</u>	<u>5,025,950</u>	<u>7,212,140</u>
Total liabilities and fund equity	<u>\$ 634,886</u>	<u>\$ 291,468</u>	<u>\$ 5,152,168</u>	<u>\$ 7,585,387</u>

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS**

Year ended September 30, 2000

	District 1 Project	District 2 Project	District 3 Project
Revenues			
Intergovernmental	\$ 306,443	\$ --	\$ 150,000
Miscellaneous	21,738	57,316	18,323
Total revenues	<u>328,181</u>	<u>57,316</u>	<u>168,323</u>
Expenditures			
Capital outlay	465,311	613,289	357,943
Total expenditures	<u>465,311</u>	<u>613,289</u>	<u>357,943</u>
Excess (deficiency) of revenues over expenditures	<u>(137,130)</u>	<u>(555,973)</u>	<u>(189,620)</u>
Other financing sources			
Operating transfers in	320,419	128,744	320,419
Operating transfers out	(122,882)	(3,334)	(122,882)
Total other financing sources	<u>197,537</u>	<u>125,410</u>	<u>197,537</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	60,407	(430,563)	7,917
Fund balance, beginning of year	<u>355,688</u>	<u>1,024,702</u>	<u>331,435</u>
Fund balance, end of year	<u><u>\$ 416,095</u></u>	<u><u>\$ 594,139</u></u>	<u><u>\$ 339,352</u></u>

Continued ...

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS - CONTINUED**

Year ended September 30, 2000

	District 4 Project	District 5 Project	All other	Totals
Revenues				
Intergovernmental	\$ --	\$ --	\$ --	\$ 456,443
Miscellaneous	47,989	29,474	317,037	491,877
Total revenues	47,989	29,474	317,037	948,320
Expenditures				
Capital outlay	411,771	472,804	907,232	3,228,350
Total expenditures	411,771	472,804	907,232	3,228,350
Excess (deficiency) of revenues over expenditures	(363,782)	(443,330)	(590,195)	(2,280,030)
Other financing sources				
Operating transfers in	121,329	120,419	239,096	1,250,426
Operating transfers out	--	--	--	(249,098)
Total other financing sources	121,329	120,419	239,096	1,001,328
Excess (deficiency) of revenues and other sources over expenditures and other uses	(242,453)	(322,911)	(351,099)	(1,278,702)
Fund balance, beginning of year	845,849	556,119	5,377,049	8,490,842
Fund balance, end of year	<u>\$ 603,396</u>	<u>\$ 233,208</u>	<u>\$ 5,025,950</u>	<u>\$ 7,212,140</u>

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS**

Year ended September 30, 2000

	District 1 Project			District 2 Project		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	310,000	306,443	(3,557)	100,000	--	(100,000)
Miscellaneous	--	21,738	21,738	--	57,316	57,316
Total revenues	310,000	328,181	18,181	100,000	57,316	(42,684)
Expenditures						
Capital outlay	468,868	465,311	3,557	733,889	613,289	120,600
Total expenditures	468,868	465,311	3,557	733,889	613,289	120,600
Excess (deficiency) of revenues over expenditures	(158,868)	(137,130)	21,738	(633,889)	(555,973)	77,916
Other financing sources (uses)						
Operating transfers in	320,419	320,419	--	128,744	128,744	--
Operating transfers out	(122,882)	(122,882)	--	(3,334)	(3,334)	--
Total other financing sources (uses)	197,537	197,537	--	125,410	125,410	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	38,669	60,407	21,738	(508,479)	(430,563)	77,916
Fund balance, beginning of year	355,688	355,688	--	1,024,701	1,024,702	1
Fund balance, end of year	<u>\$ 394,357</u>	<u>\$ 416,095</u>	<u>\$ 21,738</u>	<u>\$ 516,222</u>	<u>\$ 594,139</u>	<u>\$ 77,917</u>

Continued ...

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS - CONTINUED**

Year ended September 30, 2000

	District 3 Project			District 4 Project			District 5 Project		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues									
Intergovernmental	150,000	150,000	--	--	--	--	--	--	--
Miscellaneous	--	18,323	18,323	--	47,989	47,989	12,000	29,474	17,474
Total revenues	150,000	168,323	18,323	--	47,989	47,989	12,000	29,474	17,474
Expenditures									
Capital outlay	369,877	357,943	11,934	400,184	411,771	(11,587)	631,675	472,804	158,871
Total expenditures	369,877	357,943	11,934	400,184	411,771	(11,587)	631,675	472,804	158,871
Excess (deficiency) of revenues over expenditures	(219,877)	(189,620)	30,257	(400,184)	(363,782)	36,402	(619,675)	(443,330)	176,345
Other financing sources (uses)									
Operating transfers in	320,419	320,419	--	121,329	121,329	--	120,419	120,419	--
Operating transfers out	(122,882)	(122,882)	--	--	--	--	--	--	--
Total other financing sources (uses)	197,537	197,537	--	121,329	121,329	--	120,419	120,419	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(22,340)	7,917	30,257	(278,855)	(242,453)	36,402	(499,256)	(322,911)	176,345
Fund balance, beginning of year	331,435	331,435	--	845,849	845,849	--	556,119	556,119	--
Fund balance, end of year	<u>\$ 309,095</u>	<u>\$ 339,352</u>	<u>\$ 30,257</u>	<u>\$ 566,994</u>	<u>\$ 603,396</u>	<u>\$ 36,402</u>	<u>\$ 56,863</u>	<u>\$ 233,208</u>	<u>\$ 176,345</u>

Continued ...

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAPITAL PROJECT FUNDS - CONTINUED**

Year Ended September 30, 2000

	All other			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues						
Intergovernmental	--	--	--	560,000	456,443	103,557
Miscellaneous	--	317,037	317,037	12,000	491,877	(479,877)
Total revenues	--	317,037	317,037	572,000	948,320	(376,320)
Expenditures						
Capital outlay	1,549,304	907,232	642,072	4,153,797	3,228,350	925,447
Total expenditures	1,549,304	907,232	642,072	4,153,797	3,228,350	925,447
Excess (deficiency) of revenues over expenditures	(1,549,304)	(590,195)	959,109	(3,581,797)	(2,280,030)	(1,301,767)
Other financing sources (uses)						
Operating transfers in	239,096	239,096	--	1,250,426	1,250,426	--
Operating transfers out	--	--	--	(249,098)	(249,098)	--
Total other financing sources (uses)	239,096	239,096	--	1,001,328	1,001,328	--
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,310,208)	(351,099)	959,109	(2,580,469)	(1,278,702)	(1,301,767)
Fund balance, beginning of year	5,243,742	5,377,049	133,307	8,357,534	8,490,842	(133,308)
Fund balance, end of year	<u>\$ 3,933,534</u>	<u>\$ 5,025,950</u>	<u>\$ 1,092,416</u>	<u>\$ 5,777,065</u>	<u>\$ 7,212,140</u>	<u>\$ (1,435,075)</u>

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Board is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the Board has decided that periodic determination of net income is appropriate for accountability purposes.

Navarre Beach Fund - established to plan, develop and operate the water and sewer system of Navarre Beach and to administer the county-leased land on Santa Rosa Island.

Landfill Fund - established to account for operation of the solid waste disposal facilities of the county.

Peter Prince Field Fund - established to account for activities related to the rental of hangers at Peter Prince Field.

Industrial Park Fund – established to segregate and identify revenues and expenses associated with development of the Industrial Park.

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING BALANCE SHEET
ENTERPRISE FUNDS**

September 30, 2000

	Navarre Beach	Landfill	Peter Prince Field	Industrial Park	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 320,322	\$ 246,066	\$ 106,398	\$ 31,076	\$ 703,862
Investments	3,656,298	1,441,435	92,122	586,426	5,776,281
Accounts receivable	120,682	90,173	9,878	--	220,733
Interest	--	--	--	33,200	33,200
Leases - current	829	--	--	--	829
Due from other governments	287,396	--	--	--	287,396
Total current assets	4,385,527	1,777,674	208,398	650,702	7,022,301
Restricted assets					
Investments	634,979	935,766	--	--	1,570,745
Leases - long-term	62,561	--	--	--	62,561
Notes receivable	--	--	--	1,559,142	1,559,142
Deferred charges	94,558	73,223	--	--	167,781
Fixed assets					
Land	--	936,877	10,326	503,685	1,450,888
Buildings	123,820	307,547	914,491	--	1,345,858
Improvements	6,681,524	4,563,766	1,804,404	--	13,049,694
Machinery and equipment	310,581	2,307,824	--	--	2,618,405
Construction in progress	76,160	--	--	--	76,160
Accumulated depreciation and amortization	(3,724,972)	(4,180,403)	(487,845)	--	(8,393,220)
Total fixed assets (net of accumulated depreciation)	3,467,113	3,935,611	2,241,376	503,685	10,147,785
Total assets	\$ 8,644,738	\$ 6,722,274	\$ 2,449,774	\$ 2,713,529	\$ 20,530,315
LIABILITIES					
Current liabilities					
Accounts payable	\$ 149,652	\$ 26,804	\$ 1,510	\$ 9,758	\$ 187,724
Accrued compensation	9,240	22,934	--	--	32,174
Due to other governments	--	--	4	--	4
Total current liabilities	158,892	49,738	1,514	9,758	219,902
Current liabilities payable from restricted assets					
Revenue bonds - current	505,000	130,000	--	--	635,000
Accrued interest	14,145	36,174	--	--	50,319
Deposits	--	29,889	--	--	29,889
Current portion of landfill closure costs	--	182,075	--	--	182,075
Total current liabilities payable from restricted assets	519,145	378,138	--	--	897,283
Noncurrent liabilities					
Deferred revenue	62,561	--	--	--	62,561
Compensated absences	60,990	203,623	--	--	264,613
Long term portion of landfill closure costs	--	6,573,564	--	--	6,573,564
Revenue bonds payable - net of discount	1,408,750	3,232,371	--	--	4,641,121
Total noncurrent liabilities	1,532,301	10,009,558	--	--	11,541,859
Total liabilities	2,210,338	10,437,434	1,514	9,758	12,659,044
FUND EQUITY					
Contributed capital	2,361,764	2,867,648	2,521,866	1,726,818	9,478,096
Retained earnings (accumulated deficit)					
Reserved	31,615	--	--	--	31,615
Unreserved	4,041,021	(6,582,808)	(73,606)	976,953	(1,638,440)
Total retained earnings	4,072,636	(6,582,808)	(73,606)	976,953	(1,606,825)
Total fund equity (accumulated deficit)	6,434,400	(3,715,160)	2,448,260	2,703,771	7,871,271
Total liabilities and fund equity	\$ 8,644,738	\$ 6,722,274	\$ 2,449,774	\$ 2,713,529	\$ 20,530,315

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
ENTERPRISE FUNDS**

Year ended September 30, 2000

	Navarre Beach	Landfill	Peter Prince Field	Industrial Park	Total
Operating revenues					
Licenses and permits	\$ 10	\$ 1,200	\$ --	\$ --	\$ 1,210
Charges for services	989,279	1,820,709	--	--	2,809,988
Leases	937,633	--	156,553	3,520	1,097,706
Miscellaneous	8,151	182,172	238	293	190,854
Total operating revenues	1,935,073	2,004,081	156,791	3,813	4,099,758
Operating expenses					
Personal services	266,179	647,452	--	--	913,631
Contract services	246,414	150,526	--	7,821	404,761
Supplies	23,459	19,490	--	--	42,949
Repairs and maintenance	232,387	194,941	24,963	49,181	501,472
Utilities	145,110	15,845	2,842	4,615	168,412
Depreciation	321,957	320,238	165,495	--	807,690
Travel and per diem	992	8,504	--	--	9,496
Insurance	5,000	10,000	--	--	15,000
Communications	14,389	7,148	--	--	21,537
Advertising	238	--	--	--	238
Fuel and oil	4,025	79,185	--	--	83,210
Rentals	100	191	--	--	291
Landfill closure and maintenance	--	291,024	--	--	291,024
Miscellaneous	2,553	2,162	--	--	4,715
Total operating expenses	1,262,803	1,746,706	193,300	61,617	3,264,426
Operating income (loss)	672,270	257,375	(36,509)	(57,804)	835,332
Non-operating revenues (expenses)					
Sale of land	--	--	--	613,000	613,000
Interest income	279,209	139,402	14,357	144,211	577,179
Interest expense	(95,735)	(222,967)	--	--	(318,702)
State grants	287,396	62,116	--	--	349,512
Aid to private organizations	--	(30,000)	--	--	(30,000)
Amortization & other bond costs	(29,559)	(6,147)	--	--	(35,706)
Total non-operating revenues (expenses)	441,311	(57,596)	14,357	757,211	1,155,283
Net income (loss)	1,113,581	199,779	(22,152)	699,407	1,990,615
Accumulated retained earnings(deficit), beginning of year	2,959,055	(6,782,587)	(51,454)	277,546	(3,597,440)
Accumulated retained earnings(deficit), end of year	\$ 4,072,636	\$ (6,582,808)	\$ (73,606)	\$ 976,953	\$ (1,606,825)

Santa Rosa County, Florida
Board of County Commissioners

COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

Year ended September 30, 2000

	Navarre Beach Fund	Landfill Fund	Peter Prince Field	Industrial Park	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 672,270	\$ 257,375	\$ (36,509)	\$ (57,804)	\$ 835,332
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation	321,957	320,238	165,495	--	807,690
Gain on disposal of assets	--	(17,036)	--	--	(17,036)
Change in assets and liabilities					
(Increase) decrease in:					
Accounts receivable	(15,254)	30,746	(9,770)	341	6,063
Leases receivable	13,366	--	--	--	13,366
(Decrease) increase in:					
Accounts payable	110,277	1,539	619	8,627	121,062
Accrued compensation	2,246	3,626	--	--	5,872
Annual and sick leave	(11,590)	(13,840)	--	--	(25,430)
Landfill closure costs payable	--	291,024	--	--	291,024
Deferred revenue	465	--	--	--	465
Deposits	--	3,189	--	--	3,189
Due to other governments	(764)	--	--	--	(764)
Net cash provided (used) by operating activities	1,092,973	876,861	119,835	(48,836)	2,040,833
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
State grants	--	62,116	--	--	62,116
Aid to private organizations	--	(30,000)	--	--	(30,000)
(Increase) decrease in due from other funds	--	--	--	(81)	(81)
Increase (decrease) in due to other funds	--	--	(9,722)	--	(9,722)
Net cash provided (used) by noncapital financing activities	--	32,116	(9,722)	(81)	22,313
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition & construction of capital assets	(627,599)	(193,050)	(207,355)	--	(1,028,004)
Proceeds from sale of equipment	--	22,950	--	--	22,950
Proceeds from note receivable	--	--	--	32,391	32,391
Interest paid	(99,464)	(224,152)	--	--	(323,616)
Principal paid on bonds	(505,000)	(122,500)	--	--	(627,500)
Net cash provided (used) by capital and related financing activities	(1,232,063)	(516,752)	(207,355)	32,391	(1,923,779)
CASH FLOWS FROM INVESTING ACTIVITIES					
Net sale (purchase) of investments - State Investment Pool	(171,720)	(449,471)	130,060	(171,289)	(662,420)
Interest income	279,209	139,402	14,357	144,212	577,180
Net cash provided (used) by investing activities	107,489	(310,069)	144,417	(27,077)	(85,240)
NET INCREASE (DECREASE) IN CASH	(31,601)	82,156	47,175	(43,603)	54,127
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	351,923	163,910	59,223	74,679	649,735
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 320,322</u>	<u>\$ 246,066</u>	<u>\$ 106,398</u>	<u>\$ 31,076</u>	<u>\$ 703,862</u>

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Board and to other government units, on a cost reimbursement basis.

Self-Insurance Fund - established to account for monies provided to cover current costs and future reserve requirements for the County's self-insurance programs.

Central Communications Fund - established to account for provision of telephone services to various departments of the Board and offices of certain other county elected officials.

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING BALANCE SHEET
INTERNAL SERVICE FUNDS**

September 30, 2000

ASSETS	Self- Insurance Fund	Central Communications Fund	Total
Current assets			
Cash and cash equivalents	\$ 95,398	\$ 23,916	\$ 119,314
Investments	1,984,278	5,526	1,989,804
Accounts receivable, net of uncollectibles	1,445	14,562	16,007
Due from other governments	7,207	--	7,207
Total current assets	2,088,328	44,004	2,132,332
Fixed assets			
Machinery and equipment	--	374,786	374,786
Accumulated depreciation	--	(338,981)	(338,981)
Total fixed assets (net of accumulated depreciation)	--	35,805	35,805
Total assets	<u>\$ 2,088,328</u>	<u>\$ 79,809</u>	<u>\$ 2,168,137</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 29,318	\$ 25,479	\$ 54,797
Current portion of claims payable	650,000	--	650,000
Accrued compensation	3,637	871	4,508
Total current liabilities	682,955	26,350	709,305
Noncurrent liabilities			
Compensated absences	--	843	843
Long-term portion of claims payable	1,454,365	--	1,454,365
Total noncurrent liabilities	1,454,365	843	1,455,208
Total liabilities	<u>2,137,320</u>	<u>27,193</u>	<u>2,164,513</u>
FUND EQUITY			
Contributed capital	--	125,665	125,665
Retained earnings (accumulated deficit)			
Unreserved - undesignated	(48,992)	(73,049)	(122,041)
Total retained earnings	(48,992)	(73,049)	(122,041)
Total fund equity	(48,992)	52,616	3,624
Total liabilities and fund equity	<u>\$ 2,088,328</u>	<u>\$ 79,809</u>	<u>\$ 2,168,137</u>

Santa Rosa County, Florida
Board of County Commissioners

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS
INTERNAL SERVICE FUNDS**

Year ended September 30, 2000

	Self- Insurance Fund	Central Communications Fund	Total
Operating revenues			
Charges for services	\$ --	\$ 180,068	\$ 180,068
Premiums received	1,221,185	--	1,221,185
Insurance proceeds	46,602	--	46,602
	<u>1,267,787</u>	<u>180,068</u>	<u>1,447,855</u>
Total operating revenues			
Operating expenses			
Personal services	--	25,301	25,301
Contract services	21,257	--	21,257
Supplies	2,627	170	2,797
Repairs and maintenance	--	21,020	21,020
Depreciation	--	10,743	10,743
Communications	1,168	278,773	279,941
Claims	846,852	--	846,852
State assessment	66,058	--	66,058
Insurance and bond premiums	252,825	--	252,825
Miscellaneous	7,034	--	7,034
	<u>1,197,821</u>	<u>336,007</u>	<u>1,533,828</u>
Total operating expenses			
Operating income (loss)	<u>69,966</u>	<u>(155,939)</u>	<u>(85,973)</u>
Non-operating revenues (expenses)			
Interest income	111,642	4,625	116,267
	<u>111,642</u>	<u>4,625</u>	<u>116,267</u>
Total non-operating revenues (expenses)			
Income (loss) before operating transfers	181,608	(151,314)	30,294
Operating transfers in	--	22,950	22,950
	<u>--</u>	<u>22,950</u>	<u>22,950</u>
Net income (loss)	181,608	(128,364)	53,244
Accumulated retained earnings (deficit), beginning of year	<u>(230,600)</u>	<u>55,315</u>	<u>(175,285)</u>
Accumulated retained earnings (deficit), end of year	<u>\$ (48,992)</u>	<u>\$ (73,049)</u>	<u>\$ (122,041)</u>

**Santa Rosa County, Florida
Board of County Commissioners**

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS**

Year ended September 30, 2000

	Self Insurance Fund	Central Communications Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 69,966	\$ (155,939)	\$ (85,973)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation	--	10,743	10,743
Change in assets and liabilities			
(Increase) decrease in:			
Accounts receivable	480	6,022	6,502
Due from other governments	(7,207)	--	(7,207)
Increase (decrease) in:			
Accounts payable	(4,910)	7,955	3,045
Accrued compensation	3,059	89	3,148
Annual and sick leave	--	(74)	(74)
Claims payable	(333,106)	--	(333,106)
Net cash used by operating activities	(271,718)	(131,204)	(402,922)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers in	--	22,950	22,950
Increase (decrease) in due to other funds	(30,000)	--	(30,000)
(Increase) decrease in due from other funds	188,382	--	188,382
Net cash provided by noncapital financing activities	158,382	22,950	181,332
CASH FLOWS FROM INVESTING ACTIVITIES			
Net (purchase) sale of investments - State Investment Pool	95,746	117,477	213,223
Interest income	111,642	4,625	116,267
Net cash provided by investing activities	207,388	122,102	329,490
NET INCREASE (DECREASE) IN CASH	94,052	13,848	107,900
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,346	10,068	11,414
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 95,398	\$ 23,916	\$ 119,314

TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the Board in a trustee capacity. Agency funds are used to account for assets held by the Board as an agent for individuals, private organizations, other governments and/or other funds.

Insurance Clearance Fund – established to account for funds deducted from the Board's and other constitutional officers' employees' pay and disbursements on their behalf.

Flex Benefit Fund – to account for the funds deducted from the Board's and other constitutional officers' employees' pay and disbursements related to the Board's cafeteria plan.

Santa Rosa County, Florida
Board of County Commissioners

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

Year ended September 30, 2000

	Balance Beginning of Year	Additions	Deletions	Balance End of Year
INSURANCE CLEARANCE				
Assets				
Cash	\$ 172,202	\$ 3,015,346	\$ 2,877,806	\$ 309,742
Accounts receivable	10,280	212,401	202,192	20,489
Total assets	<u>\$ 182,482</u>	<u>\$ 3,227,747</u>	<u>\$ 3,079,998</u>	<u>\$ 330,231</u>
Liabilities				
Accounts payable	\$ 166,636	\$ 3,227,747	\$ 3,079,998	\$ 314,385
Due to other funds	15,846	--	--	15,846
Total liabilities	<u>\$ 182,482</u>	<u>\$ 3,227,747</u>	<u>\$ 3,079,998</u>	<u>\$ 330,231</u>
Flex Benefit				
Assets				
Cash	\$ 7,022	\$ 40,067	\$ 38,916	\$ 8,173
Total assets	<u>\$ 7,022</u>	<u>\$ 40,067</u>	<u>\$ 38,916</u>	<u>\$ 8,173</u>
Liabilities				
Accounts payable	\$ 2,022	\$ 40,067	\$ 38,916	\$ 3,173
Due to other funds	5,000	--	--	5,000
Total liabilities	<u>\$ 7,022</u>	<u>\$ 40,067</u>	<u>\$ 38,916</u>	<u>\$ 8,173</u>
TOTAL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 179,224	\$ 3,055,413	\$ 2,916,722	\$ 317,915
Accounts receivable	10,280	212,401	202,192	20,489
Total assets	<u>\$ 189,504</u>	<u>\$ 3,267,814</u>	<u>\$ 3,118,914</u>	<u>\$ 338,404</u>
Liabilities				
Accounts payable	\$ 168,658	\$ 3,267,814	\$ 3,118,914	\$ 317,558
Due to other funds	20,846	--	--	20,846
Total liabilities	<u>\$ 189,504</u>	<u>\$ 3,267,814</u>	<u>\$ 3,118,914</u>	<u>\$ 338,404</u>

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Board of County Commissioners
Honorable Mary M. Johnson, Clerk and Accountant to the
Board of County Commissioners
Santa Rosa County, Florida

We have audited the special purpose financial statements of the Board of County Commissioners of Santa Rosa County, Florida, (Board), as of and for the year ended September 30, 2000, and have issued our report thereon dated January 8, 2001, which was qualified for a lack of valuations for general fixed assets. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board, management and appropriate governmental agencies and is not intended to be and should not be used by anyone other than these specified parties.

O'Sullivan Vicks Patton, LLP

January 8, 2001

MANAGEMENT LETTER

Honorable County Commissioners
Byrd Mapoles, Chairperson
Debbie Dawsey, Vice Chairperson
Jim Williamson
W.D. Salter
W.A. Lee

Honorable Mary M. Johnson, Clerk and Accountant to the
Board of County Commissioners
Santa Rosa County, Florida

We have audited the financial statements of the Santa Rosa County, Florida, Board of County Commissioners, (hereinafter referred to as "Board"), as of and for the fiscal year ended September 30, 2000, and have issued our report thereon dated January 8, 2001 which was qualified for a lack of valuations for general fixed assets.

We have issued our Independent Auditor's Report On Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance With *Government Auditing Standards* dated January 8, 2001. Disclosures in that report, if any, should be considered in conjunction with this management letter.

Except as discussed in the first paragraph, we conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Additionally, our audit was conducted in accordance with the provisions of Chapter 10.550, Rules of the Auditor General, which govern the conduct of local governmental entity audits performed in the State of Florida and require that certain items be addressed in this letter.

The Rules of the Auditor General (Section 10.554 (1) (e) 1. a.) require that we comment as to whether or not inaccuracies, shortages, defalcations, fraud, and violations of laws, rules, regulations, and contractual provisions reported in the preceding annual financial audit report have been corrected. All such matters disclosed in the preceding annual financial audit report were addressed and resolved, except as disclosed in Attachment A.

The Rules of the Auditor General (Section 10.554 (1) (e) 1. b.) require that we comment as to whether or not recommendations made in the preceding annual financial audit report have been implemented. The recommendations made in the preceding annual financial audit report were followed, except as disclosed in Attachment A.

As required by the Rules of the Auditor General (Section 10.554 (1) (e) 2.), the scope of our audit included a review of the provisions of Section 218.503(1), Florida Statutes, "Determination of Financial Emergency." In connection with our audit, we determined that the Board, is not in a state of financial emergency as a consequence of the conditions described in Section 218.503(1), Florida Statutes.

As required by the Rules of the Auditor General (Section 10.554 (1) (e) 3.), we determined that the financial information for the Board, for the fiscal year ended September 30, 2000, included in the combined Santa Rosa County financial report filed with the Department of Banking and Finance pursuant to Section 218.32, Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2000.

As required by the Rules of the Auditor General (Section 10.554 (1) (e) 4.), we determined that the Board is in compliance with Section 218.415, Florida Statutes, regarding the investment of public funds.

The Rules of Auditor General (Sections 10.554 (1) (e) 6., 7., and 8.) require disclosure in the management letter of the following matters if not already addressed in the auditor's report on compliance and on internal controls or in the schedule of findings and questioned costs: recommendations to improve financial management, accounting procedures and internal controls; recommendations addressing deteriorating financial conditions, violations of laws, rules, regulations and contractual provisions which may have occurred or are likely to have occurred and were discovered within the scope of the audit; improper or illegal expenditures discovered within the scope of the audit that may or may not materially affect the financial statements; improper or inadequate accounting procedures; failures to properly record financial transactions; and other inaccuracies, shortages and defalcations and instances of fraud discovered by, or that came to the attention of, the auditor. Our audit identified the matters listed in the accompanying Attachment A, which are required to be disclosed.

The Rules of the Auditor General (Section 10.554 (1) (e) 9.) also require that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The legal authority for the Board of County Commissioners of Santa Rosa County, Florida, is disclosed in Note A to the financial statements. The component units related to the Board are also disclosed in Note A to the financial statements.

This management letter is intended for the information of the Board and management, and the State of Florida Office of the Auditor General. However, this report is a matter of public record and its distribution is not limited.

O'Sullivan Nickerson, LLP

January 8, 2001

CURRENT YEAR RECOMMENDATIONS

COMPLIANCE COMMENTS – REPEATED FROM PRIOR YEAR

95-2 – TANGIBLE PERSONAL PROPERTY RECORDS

Finding – The Rules of the Auditor General Chapter 10.400 require each governmental unit to maintain an adequate record of its property. The Board is responsible for maintaining the records of fixed assets of the Board and certain other elected officials. There has been no reconciliation of the fixed assets listing to the general ledger balance.

Recommendation - We understand the Clerk has assigned responsibility to a specific person for reconciling and maintaining the County's property records and has taken steps to comply with the Rules of the Auditor General. However, we noted this process is not yet complete since there is still a material difference between the property records and the general ledger.

INTERNAL CONTROL COMMENTS - CURRENT YEAR FINDINGS

2000-1 INVESTMENT POLICY – CONTINUING EDUCATION

Finding – The Legislature amended Florida Statute 218.415 effective October 1, 2000. Florida Statute 218.415 (14) requires the investment policy provide for the continuing education of the local government's officials responsible for making investment decisions. While the current investment policy states that it is the policy of the County to provide periodic training in investments for the investment personnel, the statute now requires the policy to specify a requirement of 8 hours of continuing education annually in courses of study related to investment practices and products for personnel making investment decisions.

Recommendation – We recommend the Board modify its investment policy to require 8 hours of continuing education annually in courses of study related to investment practices and products for personnel making investment decisions. We further recommend the Board establish policies and procedures necessary to document compliance with the continuing education requirement.

2000-2 STANDARDIZED SOFTWARE

Finding – Each of the elected officials purchases word processing software (i.e. Word, WordPerfect, Works, etc...) to be used in their respective offices. We noted during the audit that significant man hours are required to access, copy and/or use documents prepared by one office and used by another because of the variety of different word processing programs in use.

Recommendation – We recommend the elected officials consider the following possible solutions:

1. Standardizing the word processing software used by all of the elected officials.
2. Acquiring software to convert from one format to another.
3. Identifying a file format that is compatible between programs (possibly Rich Text Format) and standardizing the file format to be used in all offices.
4. Training staff on conversion methods.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH BOND COVENANTS

Honorable Board of County Commissioners
Honorable Mary M. Johnson, Clerk and Accountant to the
Board of County Commissioners
Santa Rosa County, Florida

We have audited, in accordance with generally accepted auditing standards, the special purpose financial statements of the Board of County Commissioners of Santa Rosa County, Florida (hereinafter referred to as "Board"), as of and for the year ended September 30, 2000, and have issued our report thereon, dated January 8, 2001, which was qualified for lack of valuations for general fixed assets.

In connection with our audit, nothing came to our attention that caused us to believe that the Board failed to comply with the terms, covenants, provisions, or conditions contained in the Water and Sewer Refunding Revenue Bonds, Series 1998 debt agreement, dated April 22, 1998, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

This report is intended solely for the information and use of the Board, management, and holders of the above noted bonds and should not be used for any other purpose.

O'Sullivan Nicks Patton, LLP

January 8, 2001